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

The Speaker, Mr. McGOVERN, presented the following resolution: Mr. MCGOVERN. Mr. Speaker, pursuant to clause 8, rule XX, further proceedings on this question will be postponed. The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The Speaker. Will the gentleman from Massachusetts (Mr. McGOVERN) come forward and lead the House in the Pledge of Allegiance.

Mr. McGOVERN 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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker. The Chair will entertain one-minute speeches today at the end of legislative business.

PROVIDING FOR CONSIDERATION OF H.R. 4019, PERMANENT MARRIAGE PENALTY RELIEF ACT OF 2002

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 440 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order in the House the bill (H.R. 4019) to provide that the marriage penalty relief provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill and on any amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel 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 gentleman from Massachusetts and an opponent; and (3) one motion to recommit with or without instructions.

The Speaker pro tempore (Mr. LaHOOD). The gentleman from Washington (Mr. HASTINGS) is recognized for one hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. McGOVERN), pending which 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. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, House Resolution 440 is a modified, closed rule providing for the consideration of H.R. 4019, a bill to provide that the marriage penalty relief provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent. The rule provides 1 hour of debate in the House equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule further 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. RANGEL) or his designee.

The substitute shall be considered as read and shall be separately debatable.

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.

Printed on recycled paper.
for one hour, equally divided and controlled by the proponent and an opponent

Finally, the rule waives all points of order against the amendment printed in the report and provides one motion to recommit with or without instructions.

Mr. Speaker, as with the death tax repeal provisions passed by the House last week, it is necessary for this body to act again today because when Congress enacted the marriage penalty relief of 2001, an arcane procedural rule in the other body required that much-needed relief for married taxpayers be terminated on July 1, 2011. This clearly contradicts the original will of the House as our bill had no sunset provision. We passed marriage penalty relief in the first place because it is unfair and even morally wrong for the Federal Government to tax working men and women at a higher rate if they are married than if they instead choose to remain an obscure procedural obstacle corrected that inequity because simple fairness demands it. And fundamental fairness also demands that we make that change permanent because to do otherwise means that on January 1, 2011, every married couple in America, every married couple in America, will face a significant tax increase. No one else, just married couples. In fact, failure to act on H.R. 4019 will result in a tax increase of $2 billion in 2010 and 2011 for low and middle income taxpayers.

That is not what this House intended and it is up to us to do something about it. For that reason I am pleased that the Committee on Ways and Means has reported legislation removing the “sunset” provisions of the marriage penalty relief we passed last year. This bill, H.R. 4019, will make the following provisions from last year’s law permanent. It will increase the standard deduction for married couples to twice the amount for single taxpayers. It will increase the width of the 15 percent tax bracket for married couples so that it is twice as wide as the bracket for single taxpayers. It will increase the phaseout range of the earned income tax credit by $9,000 for married couples and simplifies the earned income tax credit to reduce tax complexity for low income taxpayers.

Mr. Speaker, as I said a moment ago, we are only taking up this legislation because of an obscure procedural obstacle in the other body. We have an opportunity today to correct that injustice, and I urge my colleagues to do so by adopting both this rule and the underlying bill H.R. 4019.

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

Mr. MCGOVERN. Mr. Speaker, I yield myself as much time as I may consume. I thank the gentleman from Washington for yielding me the customary 30 minutes.

Mr. Speaker, although this rule makes a Democratic substitute in order and I have no problem with the rule, I believe that this is not the right time to be considering the underlying legislation. Our Nation’s fiscal house is not in order, but instead of working to return this country back to the budget surpluses of 3 years ago, the Republican majority continues to dig us further into a hole. Instead of working together for the good of all Americans, the majority continues to bring legislation to this floor that is politically designed for the November campaign. This body, Mr. Speaker, is sound bite central. Listen to the debate today and get used to the sound bites because the arguments we hear today will sound a lot like tomorrow’s campaign ads. There is a time and place for politics but not here and not now.

There is a strong desire for tax relief in both the Democratic and Republican parties, but we have serious disagreements about who should benefit from that relief. Democrats believe tax relief should go to working families trying to make ends meet, not billionaire CEOs and multinational corporations. We all agree that families who are unfairly penalized by the marriage penalty tax deserve relief. We could provide that relief right now, but, Mr. Speaker, the devil is always in the details and the details show that this bill is bad news for the people’s budget.

Consider the facts. The marriage penalty tax provisions included in last year’s tax cuts don’t begin to take effect until 2005 and they don’t expire until 2010. That is because the wealthier Americans, not lower and middle income families who should benefit the most from this relief. If the majority is so concerned about tax relief for married couples, why didn’t they not make this relief effective immediately instead of forcing families to wait until 2005? Why is there such a rush to extend these tax cuts beyond any reasonable budget projections? As a result of last year’s tax cut, the excess budgetary consequences of September 11, this country now has a $200 billion budget deficit. Of course, this deficit comes on the heels of record budget surpluses created during the Clinton administration.

But does the Republican majority do anything to help dig this country out of the fiscal hole we are in? No. Last week this House approved legislation repealing the sunset of the estate tax. This repeal would cost almost three quarters of a trillion dollars. The repeal of the sunset of the marriage penalty will cost another quarter of a trillion dollars over the next 2 decades. Where is this money coming from? How are we going to pay for it? Where are the offsets?

The real answer is disturbingly clear. These repeals will be paid for by dipping into the Social Security trust fund.

The American people deserve to know that the Republican majority is spending from the Social Security trust fund until the well is dry. The baby boomers will begin to retire in 2011, and we must prepare for their arrival into the Social Security system. Squandering the Social Security surplus is unacceptable, but that is what is happening here.

Of course, if we were in the mood to be responsible, there are always ways to pay for this bill. We have one very reasonable offset staking us in the face. Certain corporations are fleeing the United States for tax havens overseas, skipping out on their responsibilities. This House has the power to close this tax loophole by approving legislation introduced by our colleagues, the gentlemen from Massachusetts (Mr. NEAL) and the gentleman from Connecticut (Mr. MALONEY). This legislation would save a minimum of $4 billion over the next decade.

As we debate the tax limitation amendment yesterday, the gentleman from Indiana (Mr. PENCE) said, “If you owe tax, pay taxes,” and I agree. Corporations must pay the taxes that they owe. Congress should not allow those corporations to tax shelters overseas while continuing to operate in this country just to avoid paying taxes. Working families have to pay their taxes. The married couples we are discussing today have to pay their taxes. Why do these corporations not pay their taxes?

But no, every time the Democrats try to offer reasonable ways to pay for these bills, the majority leadership refuses to allow our amendments to even be considered. So what are they afraid of, Mr. Speaker?

The gentleman from California (Mr. MATSU) will offer a Democratic substitute that will protect Social Security for the next generation. This substitute still permanently extends marriage penalty relief, but it adds a trigger requiring the Office of Management and Budget to certify that this permanent repeal will not raid the Social Security trust fund. We must repeat that. All this does is require the Office of Management and Budget to certify that this permanent repeal will not raid the Social Security trust fund.

I think almost every Member of this body has voted not to spend Social Security funds on anything but Social Security. We have had votes on lockboxes and everything else, and people have centered all their press releases about how they want to protect Social Security. Here is a way to show it.

Our substitute would protect Social Security for future generations. We owe it to the American people to maintain the solvency of the system, and I urge my colleagues, both Republican and Democrat, to support our substitute.

Mr. Speaker, this debate is not about marriage. All of us support the institution of marriage. All of us believe that married couples should not be unfairly penalized. Rather, this debate is about responsibilities. Are we going to be responsible and pay for the bills we pass,
Mr. WELLER, who has been a champion of this issue since he first came to Congress. (Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I stand in support of this rule. I stand in strong support of the basic bill that will come before this House. I urge bipartisan opposition to the substitute and motion to recommit that will be offered today and ask bipartisan support for permanent elimination of the marriage tax penalty.

We have heard the debate that has begun basically the excuses. We have to remember as we look back over the previous times we debated eliminating the marriage tax penalty there were always those on the other side of the aisle who used every procedural trick they could come up with or argument to oppose eliminating the marriage tax penalty because that is what it is all about here in Washington. It is who controls those dollars and whether they are going to be spent here in Washington or spent back home.

That is part of the fundamental debate we have today in this issue of the marriage tax penalty. Unfortunately, because of an arcane rule in the Senate, marriage tax penalty relief, which was included in the Bush tax cut, was provided for on a temporary basis; and unfortunately when it expires, it will amount to a $42 billion tax increase on 36 million married working couples who suffer what we call the marriage tax penalty.

Let me explain what the marriage tax penalty is. That is when there is a husband and wife who are both in the workforce, and because when they marry they jointly combine their income, and that is what their taxes are based on, that historically has pushed them into a higher tax bracket, forcing married working couples to pay higher taxes just because they are married. The question: Do we believe it is right, do we believe it is fair that married couples, married working couples, a man and a woman, both in the workforce, should pay higher taxes just because they are married? Is it right that under our Tax Code, that our Tax Code punishes society’s most basic institution? I think not.

I have been proud that this House has led the fight in eliminating the marriage tax penalty. Every House Republican has voted to eliminate the marriage tax penalty, even 60-some Democrats joined with us because they recognize that it is wrong to impose taxes on marriage; and today, we are going to do it for every married couple. It is a down payment on a home. It is so easy to pass a permanent tax increase in the first 2 years.

There are those in Washington who are going to say we should let it expire; we need that money to spend here in Washington. Well, I believe a majority of this House will side with the Castillo family today. I believe that a majority of the House, in a bipartisan way, is going to side with hardworking, middle-class families, like the Castillos, and say, let us protect that marriage tax relief.

Let us make it permanent to ensure that couples like Jose and Magdalena are able to use that money for their own needs back at home and take care of little Carolina and Eduardo, because that is what this is all about. We want to make our Tax Code more fair; and of course, we were successful last year in eliminating the marriage tax penalty. Unfortunately, because of an arcane rule in the Senate, it was temporary. And it is funny: here in Washington it is so easy to pass a permanent tax increase. It is so easy to pass a permanent spending increase, but there are people here in Washington that will fight tooth and nail every effort to help working families like the Castillos by providing permanent marriage tax relief.

Let us work in a bipartisan way. Let us work to help good hardworking people like the Castillos keep their own hard-earned dollars. Why should they pay higher taxes just because they are married? Often, it is asked in this debate who most benefits from tax relief. Well, if we look at the statistics, those who earn between $20,000 and $75,000, middle-class families are those who are hardest hit by the marriage tax penalty.

So if we all claim to be friends of the middle class, we should want to make
permanent marriage tax relief, and I know we are going to hear from the excuesescaucus who are going to come up with every excuse to oppose this legislatation. Let us move in a bipartisan way. Let us have bipartisan support for this rule. Let us move for permanent marriage tax relief.

Mr. McGovern. Mr. Speaker, I yield myself such time as I may consume. I want to say that I agree with the gentleman from Illinois that families like the ones he mentioned, Jose and Magdalena, deserve relief, and we all want to work to provide them that relief; but what we are simply saying here is we need to make sure we properly pay for that relief. I am sure that this family would not appreciate knowing that we are paying for some of these tax cut bills by dipping into the Social Security trust fund.

Every time that we pass an education measure here, we have to find an offset. Every time we pass a bill to protect a park or to improve our environment, we have to find an offset. Every time we have a health care measure on the floor, we need an offset; and yet what we are asking for is where are the offsets to pay for all of this.

The American people do not want to go further into debt. The American people do not want to jeopardize the Social Security trust fund. They want us to be responsible, and I think working in a bipartisan way we could provide marriage tax relief and at the same time pay for it; but for whatever reason, the other side does not want to do that.

Mr. Speaker, we have no further requests for time, and I yield back the balance of my time.

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

The previous question was ordered.

The SPEAKER pro tempore (Mr. LaHood). The question is on the resolution.

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

Mr. McGovern. 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.

The SPEAKER pro tempore. A reconsideration is laid on the table.

Stated for: Mr. Nussle. Mr. Speaker, on Thursday, June 13, 2002, my vote was not recorded on rollcall vote No. 226. Had my vote been re- corded, it would have been in the following manner: Rollcall vote No. 226—H. Res. 440 providing for the consideration of H.R. 4019—aye.

THE JOURNAL

The Speaker pro tempore (Mr. LaHood). Pursuant to clause 8 of rule XX, the pending business is the question of agreeing to the Speaker's approval of the Journal. The question is on the Speaker's approval of the Journal of the last day's proceedings.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.
Mr. MCGOVERN. 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—aye 344, noes 56, answered "present" 1, not voting 33, as follows:

(Roll No. 227)

YEAS—344

Abercrombie
Ackerman
Akin
Allen
Andrews
Baca
Bachus
Baker
Balducci
Barcella
Barcza
Barrett
Bartlett
Barton
Bass
Becerra
Benten
Bereuter
Berry
Berkley
Berman
Beryl
Boggs
Boehner
Bosco
Breuer
Brennan
Browder
Brown (FL)
Brown (SC)
Bryant
Burr
Buyer
Calahan
Calvert
Camp
Cardiff
Carson (NJ)
Carson (OK)
Castle
Chabot
Chamberlin
Chesbrough
Clay
Clemence
Clyburn
Cole
Collins
Condit
Conyers
Cooksey
Cromer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jim
Davis, Joe
DeAccording to the Clerk, the title of the bill is:

The SPEAKER pro tempore. The text of H.R. 4019 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 relating to sunset provisions of such Act shall not apply to title III of such Act (relating to marriage penalty relief).

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider an amendment printed in House Report 107-504, if offered by the gentleman from New York (Mr. RANGEL) 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 California (Mr. THOMAS) and the gentleman from California (Mr. MATSU) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. THOMAS). Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, yesterday the House was privileged in a joint session to hear from the Prime Minister of Australia. It was, I hope, for most Members a rather refreshing presentation of the closeness of the two countries, because he provided us with a speech which pointed with pride and viewed with alarm.

He talked about areas in which we have common purpose, and areas where the Australians, through the Prime Minister as the head of the government, had some concern about legislation that we might be passing.

But I want to focus on one small statement that he made which I think has profound significance and which I had not quite heard it put the way the Prime Minister put it. He said that the best structure for social welfare is the family. And although we have discussed in many different ways the value and virtues of the family, the idea that from a societal point of view the ability to nurture the family structure as the best social welfare unit is, I think, what we are about today.

In this system, or in any system, if you do not want something, if you want to discourage it, you put up barriers. One of the cleanest barriers that you can put up to stop activity is to tax it. If it costs you more to do a particular behavior, you tend to do less of it. If we want to encourage a particular kind of behavior, we should reward it or create incentives for it, or, at the very least, make sure that in the

Mr. KENNEDY of Rhode Island. Mr. Speaker, on June 13, 2002, I was unavoidably detained at the Martin Luther King Jr. National Memorial Park Board of Directors Meeting. Consequently, I missed two votes.

Had I been here I would have voted "yea" on rollcall No. 226; "aye" on rollcall No. 227.

PERMANENT MARRIAGE PENALTY RELIEF ACT OF 2002

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 440, I call up the bill (H.R. 4019) to provide that the marriage penalty relief provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent, and to ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. (Mr. RANGEL). Pursuant to House Resolution 440, the bill is considered read for amendment.

The text of H.R. 4019 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 relating to sunset provisions of such Act shall not apply to title III of such Act (relating to marriage penalty relief).

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider an amendment printed in House Report 107-504, if offered by the gentleman from New York (Mr. RANGEL) 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.

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The Chair recognizes the gentleman from California (Mr. THOMAS). Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, yesterday the House was privileged in a joint session to hear from the Prime Minister of Australia. It was, I hope, for most Members a rather refreshing presentation of the closeness of the two countries, because he provided us with a speech which pointed with pride and viewed with alarm.
way we engage in governmental interactivity in that area is to remain neutral.

We are here today to take the tax structure, which historically has penalized marriage, which is the foundation for that commitment, and we have penalized it by virtue of the way in which the tax structure is arranged. Indeed, today we are half enlightened. That is, we have decided to suspend the penalty through the tax structure on marriage for a period of time.

If through no fault of the House that this has occurred, because the House passed permanent marriage relief reform. It is because of the constitutional necessity to have the House and the Senate agree on a structure to be sent to the President to become law. Under the arcane rules of the Senate, at the time that this was moved, it could only be done for 10 years.

Notwithstanding the fact that 10 years seems a long way off, one of the things we do at the first opportunity and at every opportunity is to correct that fundamental flaw, that if in fact we have decided that we ought not to penalize marriage, then we ought to make it permanent. And that is the sum and substance of the legislation that is before us today, to take a provision that is currently temporary in the law and make it permanent. If you are not going to incentivize marriage, at the very least make sure you do not punish it. That is what this debate is all about.

Mr. Speaker, I yield the balance of my time to the gentleman from Illinois (Mr. WELLER), and ask unanimous consent that he control the time.

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

There was no objection.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

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

Mr. Speaker, last night I had a chance to meet with members of the medical community in a new part of my district and with senior advocates, and they asked me what Congress was going to do about prescription medicine because of the dire need in our community. They wanted to know what was going to happen with hospital and physician reimbursement rates, because there is a real critical need in that community. They wanted to know whether seniors were going to have greater choice in their options under Medicare. But they wanted to know whether the funds would be available in Congress to deal with these issues.

I explained to them the budget problems that we are facing, how we are confronting, and they certainly understand the fact that we do not want to use Social Security funds in order to deal with these pressing needs. They understand the dilemma we are in, primarily because of the tax bill that we passed last year.

I know that there are Members on both sides of the aisle that share our concern about acting this year on prescription medicines for seniors and protecting the Social Security system. So, quite frankly, Mr. Speaker, I do not understand why we are considering this bill at this time.

The bill is to effect 10 years from now. If we learned anything during the debate last year, it is that we cannot even predict 1 year in the future, let alone 10 years in the future.

Last year we thought we had a $5.6 trillion deal. We are now told that under the unified budget that the deficit this year, not surplus, deficit, will be between $150 billion to $200 billion. We cannot predict 1 year into the future. How can we predict 10 years in the future?

We do know that this legislation, when implemented, will cost another $25 billion a year and add to our deficits. We do know that at the time this legislation takes effect, the baby boomers will become eligible for Social Security and Medicare, putting greater stress on both Social Security and Medicare.

Mr. Speaker, one thing is clear and that is that if you are going to go back this weekend and talk to your medical communities and your senior advocates and you are going to tell them how much you are in favor of prescription medicine coverage under Medicare and dealing with this problem, then you are for fiscal responsibility, if you are going to do that, you cannot do that with a straight face and still vote for the legislation that is before us.

I urge my colleagues to reject the legislation.

Mr. WELLER, Mr. Speaker, I yield myself as much time as I might consume.

Before I begin my remarks, I would just like to note that my good friend, the gentleman from Maryland (Mr. CARDIN), has consistently voted "no" on efforts to eliminate the marriage tax penalty, and of course his justification for voting "no" again today, even though 66,851 married couples benefit from elimination of the marriage tax penalty in his district in Maryland, is consistent. So I commend him on his consistency for opposition to eliminating the marriage tax penalty, and I will not vote for this bill. It is too expensive; we need to spend more money here in Washington is something we will hear from all the others in opposition to this bill.

Mr. Speaker, I appreciate the opportunity before this House today to bring H.R. 4019, the Permanent Marriage Tax Relief Act of 2002, before this House of Representatives. This is legislation which makes the marriage tax penalty relief provisions of the Economic Growth and Tax Relief Act of 2001 permanent.

There are 36 million working married couples who are impacted by the marriage tax penalty and who will benefit from the permanency that is before us today. During the last several years as we have debated eliminating the marriage tax penalty, we have often asked a very fundamental question, and that is, is it right, is it fair, is it right under our Tax Code if one is married that one pays higher taxes than one would if he were single? Is it right that under our Tax Code that our society's most basic institution should suffer higher taxes just because of a couple's choice? And I am proud to say this House has addressed this issue, and last year we passed legislation to provide temporary relief eliminating the marriage tax penalty for a temporary period of time.

Let us remember that the marriage tax penalty is a middle-class issue. Almost every Member of this House often gets up and talks about how they are an advocate for the middle class because that is the majority of Americans, and I would note it is the middle class that suffers the marriage tax penalty disproportionately more than others; and those who suffer the most are in the income range of $20,000 and $70,000. Again, the marriage tax penalty is a middle-class issue.

Mr. Speaker, I would note that 2 years ago we passed legislation providing for permanent marriage tax penalty relief. It passed with 282 to 144 votes, and even 64 Democrats joined with every House Republican to provide marriage tax relief benefiting 36 million married working couples; and unfortunately because of an arcane Senate rule, it forced our efforts to provide temporary relief, and that is why we are here today, to make it permanent.

Last year's tax law, which President Bush signed on June 6, 2001, eliminated the marriage tax penalty for 36 million couples in three different ways. There are different types of taxpayers out there. There are those who do not itemize, and those who do not itemize, those who itemize, those who have children as a standard deduction; and what we did last year in legislation that became law under a temporary basis was double the standard deduction to twice that for joint filers to twice that for singles. That benefits 20 million American couples.

Second, for those who do itemize, and those those are middle-class couples who own a home or give money to their church or institution of faith, their synagogue, temple, and we need to spend more money here as well as probably own a home, they itemize. And they benefit from the widening of the 15 percent tax bracket so they can earn twice as much income in the 15 percent bracket as a joint filer versus a single; 20 million couples benefit from the widening of the 15 percent tax bracket.

And, third, and we all care and are concerned about the working poor, we expanded the eligibility for the earned income credit for the working poor by eliminating the marriage penalty and the earned income credit, what some call the earned income tax credit.

I am proud to say this House has addressed this issue, and last year we passed legislation to provide temporary relief eliminating the marriage tax penalty for a temporary period of time.
Mr. Speaker, 36 million married working couples benefit from the marriage tax relief that is before us today. It should be made permanent.

Since 1969, our tax laws have punished married couples when both spouses work, and there is no other reason. It is right and it is fair to eliminate the marriage tax penalty. We believe the Tax Code should be marriage-neutral, and a couple living together as two singles should pay no more than a married couple, and vice versa. Unfortunately, the marriage tax penalty has been proven to exact a disproportionate toll on working women and lower income couples with children.

Many times before this House I have introduced citizens of mine, couples from back home who suffer the marriage tax penalty. Recently I have introduced a couple from my district, Jose and Magdelene Castillo of Joliet, Illinois. They have a combined income of $82,000 a year. Jose makes $57,000, Magdelene makes $25,000. They have 2 children, and they are living in poverty. As a result of the legislation we passed, their marriage tax penalty of $1125 is eliminated with the temporary measure that we passed and was signed into law last year. That represented a 12 percent reduction in taxes for the Castillo family.

Now, $1125 is pennies, pocket change in Washington, D.C., but for real people, real Americans, real working married couples back home in Joliet, Illinois, $1125 is a lot of money. It is a sizeable amount of money to set aside each year in an education savings account for little Eduardo and Carolina. It is several months' worth of car payments; it is several months' worth of day care for Eduardo and Carolina while mom and dad are at work. The bottom line is, it is real money for real people.

In Illinois, 1,149,196 married working couples benefit from the $2.9 billion of marriage tax relief they will receive because of the Bush tax cut enacted into law last year.

Congress needs to work together to ensure that this tax relief, this elimination of the marriage tax penalty, is permanent. Indeed, it is a fairness issue. We must ensure that 36 million couples who benefit from the marriage tax penalty relief do not suffer a tax increase when this temporary provision expires. Again, $1125 in marriage tax penalty relief is real money for Jose and Magdelene Castillo, and I would note for the 36 million married working couples, the $42 billion tax increase that would occur when this provision expires is real money for those families as well.

Let me make it very clear. A vote against making permanent the marriage tax penalty relief legislation, a vote "no" on the legislation before us today is a vote for a $42 billion tax increase on 36 million married working couples.

Let us do the right thing. Let us be fair. Let us do the just thing for these married working couples. We are going to hear from constituents who have voted consistently against providing marriage tax relief that they would rather find a way to spend this money here in Washington rather than allowing good couples like Jose and Magdelene Castillo to keep their hard-earned dollars to care for one of the family's needs by eliminating the marriage tax penalty.

I ask for bipartisan support today, and I look forward to participating in the debate.

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

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

I really do not understand why the gentleman from Wisconsin (Mr. WELLER) attack on our colleague, the gentleman from Maryland (Mr. CARDIN) with the suggestion that he has never proposed marriage penalty tax relief, and the marriage penalty tax was totally unjustified, and it is factually inaccurate. Indeed, in 1995, when the Republican Congress under Newt Gingrich had their much-ballyhooed "Contract With America," the Demo- crats on the Committee on Ways and Means, including the gentleman from Maryland (Mr. CARDIN), proposed to include marriage penalty tax relief and implement all of the provisions of the Contract With America on this subject in the tax bill before the committee.

It was the Republicans, on a party-line vote, because they had so many special interest provisions they loaded into that tax bill, who chose to reject marriage penalty tax relief. At every opportunity since then, Democrats have proposed more marriage penalty tax relief sooner than the Republicans have. So statements suggesting that there is some kind of party-line difference over marriage penalty tax relief are absolutely inaccurate.

Indeed, there has been, generally, broad, bipartisan support for correcting the marriage penalty. What we have today has little to do with that. Indeed, some people have suggested that the Republican tactic of having a tax cut vote every week, more or less, is just a contrived, election year ploy. Others have suggested that no, it is really just the only subject, cutting Social Security and Medicare, that the House can come to agreement on among themselves. And while both of those statements are probably true, I think that the real intention here in offering this proposal today as one element of a $4 trillion tax cut relates to the basic opposition to the preservation of Social Security and Medicare by the Republican Party here in the House.

Mr. Speaker, the Members of the House Republican leadership have never really believed in Social Security and Medicare. To use their language, they want to "privatize" Social Security. They have a plan to privatize Medicare and encourage people to get out of the traditional Medicare system. They have a plan to privatize the Social Security system. To use their language, they want to "privatize" Social Security and Medicare so long as we add another $4 trillion of tax breaks, at the same time we are letting corporations flee America and escaping their responsibility to fund national security. There is no way we can have it all. I believe that the disinterest in having Medicare and Social Security as a publicly financed, publicly supported system in which every American can participate, that that lies at the heart of this like the one we have here today.

Now, I have had the good fortune to be married to a great woman for a little over 32 years. My parents have been married for over 56 years. Marriage is a great institution. But I recognize that not every family in America has been as fortunate as I have. Indeed, the reason that this current problem in the Tax Code exists is because a widow from World War II came to the Con- gress decades ago to say that the law discriminated against me. I am having to pay more than my married friends, and my husband sacrificed his life in defense of this country. The bill that is before us today to make it permanent just as easily be called the "Widow Penalty Act." It can be called the "Battered Woman Penalty Act.

Indeed, some people have suggested that Social Security and Medicare by the Repub- licans have today has little to do with that. Indeed, the reason that this current problem in the Tax Code exists is because a widow from World War II came to the Con- gress decades ago to say that the law discriminated against me. I am having to pay more than my married friends, and my husband sacrificed his life in defense of this country. The bill that is before us today to make it permanent just as easily be called the "Widow Penalty Act." It can be called the "Single Person's Penalty Act." Because it proposes to erect penalties in favor of marriage, those who happen to be widows, who happen to be battered women who have left their husband and, for one reason or another, happen to be single.

I believe that our tax laws should be neutral. This is not a neutral law. It tends to give more of its benefits to those who are married.

Mr. KLECZKA. Mr. Speaker, will the gentleman yield?

Mr. DOGGETT. I yield to the gentle- man from Wisconsin.
Mr. DOGGETT. Mr. Speaker, they do not even propose to actually implement the marriage penalty under their proposal, and it is an additional burden. Now, if we had taken the Democratic alternative that we advanced last year, that would have been more beneficial to that family sooner than under their proposal.

Mr. KLECZKA. But is it not true that they would stand to lose money in 2010 if we do not repeal the sunset?

Mr. DOGGETT. Mr. Speaker, that is correct. There is nothing in today’s bill that really helps them at all over the next several years.

Mr. KLECZKA. So this is 2002. So we are talking about something that might happen and might not happen in 8 years from now?

Mr. DOGGETT. Mr. Speaker, it is the specter. It is the ghost of relief. It is great for an election year, though. I think they have done a good job of having a good election year ploy.

But my concern is that with this basic underlying proposal, there is some discrimination against parents, against widows; that is what led to this inequity to the code now. We ought not to disfavor them any more than we would disfavor married people.

Finally, it is a matter that the children of people—whether family, married, single parent, whatever—we are going to place a penalty on them, and it is a national debt that, if they can implement every one of these permanent proposals, will be $4 trillion higher in 8 years from now. That is an untruthful by saying that this bill does not impact the deficit situation of the United States by the passage of the bill we are debating today and, on the other hand, being truthful by saying that this bill does not take effect until 2011. So you cannot have it both ways. We do not impact the financial situation of the United States by which we are all very concerned, but by the time this bill would go into effect, in fact, it would be January 1, 2011. Every number that we have puts us in the surplus position, whether it is in the Social Security Trust Fund or the national budget by that year.

So double-counting the dollars that would provide for the extension permanently of the marriage penalty is political. It is not fair.

The marriage penalty is discriminatory to working women. Right now, the Tax Code creates an incentive for women to earn above a very low threshold. Women who make a salary that is on a par with their husbands are taxed in an extraordinary way, and the reason is that their additional salary upon marriage moves in to combine and thrust the young couple into a higher marginal rate. It is not a problem if there is a single wage earner, but in today’s society we see 70 percent of young women, women with young children, in the workforce. As it has become increasingly a more and more common problem for all young people.

According to conservative estimates, 36 million American couples right now are paying, on average, $1,700 more per year in taxes because they are married. In my district alone in the state of Washington, about 73,000 couples are adversely affected by the marriage penalty. This is wrong and we need to change it.

As newlyweds start out in their new life together, they should not face a punishing tax bill. I urge my colleagues to help us get our people out of the road to success, to establish in their lives full usage of the American dream, to support the Permanent Marriage Penalty Relief Act that takes place in 2011, takes away all that discrimination against the marriage of two young people, both of whom are in the working world.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. DUNN), one of the House’s leading advocates for windows and working women in the Congress and who has been a proven leader in the effort to ensure that family businesses stay in the family and in business when the founder passes on with her efforts in eliminating the marriage penalty.

Mr. DUNN. Mr. Speaker, the Tax Code has many unfair and inexplicable provisions, but none is more harmful to young people wishing to marry and young families than the marriage penalty, the bill we are debating today.

To increase the tax burden on a couple simply because they choose to marry is unjust. We ask for neutrality, to get in there and give extra credit to married people, or support single people ahead of married people, and this is the bill we are debating today.

Last year we passed the bill that alleviates the marriage penalty, but the problem is that it returns in 2011. So now we need to make it permanent.

I find it unexplainable, that the opponents of this bill are talking on the one hand about how we are impacting the deficit situation in the United States by the passage of the bill we are debating today and, on the other hand, being truthful by saying that this bill does not take effect until 2011. So you cannot have it both ways. We do not impact the financial situation of the United States by which we are all very concerned, but by the time this bill would go into effect, in fact, it would be January 1, 2011. Every number that we have puts us in the surplus position, whether it is in the Social Security Trust Fund or the national budget by that year.

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

Mr. Speaker, before yielding to the gentlewoman from Washington (Ms. DUNN), I want to take time to comment that this legislation actually makes the Tax Code marriage-neutral so that single people, widows, single people pay no more in taxes than a joint filer does under their obligation, and vice versa. That was the goal of this legislation when it passed and still is the goal of the legislation.

I would also note that the gentlewoman from Indiana (Ms. DOGGETT) is being leading advocate, to comment that this legislation actually makes the Tax Code marriage-neutral so that single people, widows, single people pay no more in taxes than a joint filer does under their obligation, and vice versa. That was the goal of this legislation when it passed and still is the goal of the legislation.

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send out, today I voted for removing the tax penalty on marriage. They then go home and bask in the warmth of that kind of baloney.

When are they going to be honest with people that they have to pay for stuff? When are they going to be honest with the truth? Vote 'n' me.

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

Mr. Speaker, I note the gentleman from Washington (Mr. McDERMOTT) has been consistent in voting in opposition to eliminating the marriage tax penalty on this House floor, even though there are 53,387 working couples who suffer the marriage tax penalty in his Washington district.

Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a leader in the effort to eliminate the marriage tax penalty.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague, the gentleman from Illinois, for yielding time to me.

I thank my friend, the gentleman from Washington (Mr. McDERMOTT) for a very curious revisionist history policy. I am always happy to hear differences of opinion that, indeed, do exist.

Indeed, when I was in private life, I noted with interest Congresses long before I got here that had no compulsion whatsoever about dipping into Social Security and spending money that was not here, and spending and spending and spending. If my friend chooses to lampoon that, but that, in essence, was the fact. As our second President, John Adams, told us, facts are stubborn things.

The fact about this bill on the floor today is that we are acting prospectively, within the rules of the House, within the rules of revenue as they exist today. Would that we could change those rules. Would that we could point out to the American people an economic fact, which is when people have more of their own money to save, spend, and invest, revenues to the government actually increase.

Would that our friends on the left would take that into account. But instead, they would rather talk about so many subjects under the sun, and electioneering, rather than the fact that if we fail to act today, if we fail to make this relief permanent, due not to a situation of our own making but another rule that failed to allow us to make this permanent, we will be, in essence, putting a tax back on the backs of the American people in the year 2011.

I listened with interest as my friend, the gentleman from Washington (Mr. McDERMOTT), readily dismissed the value of $1,000. I believe the average, once this is fully implemented, the average will be about $1,400 per married couple. Again, I guess this reflects a difference in our philosophy. I know it is tempting to move offshore into Bermuda to save $30 million in taxes, when Neighbors Industries is talking about voting to go offshore into Bermuda to save millions of dollars in taxes, we are not penalizing, the American people will be better off. I ask my colleagues to join us in support of this measure.

Mr. MATSUI. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I might just point out that when Ronald Reagan was President from 1981 to 1988, and George Bush, the first George Bush, was President from 1988 to 1992, they dipped into the Social Security trust fund; but it was not anywhere near what we are talking about now.

What are we really talking about now is, on the 10-year projections under current spending and tax policy, we are going to dip into Social Security by the sum of $1.7 trillion. If we do the estate tax, which the Republicans want to extend, defense authorization, the farm bill, which has been completed, it will add $2.2 trillion in terms of dipping into the Social Security trust fund.

We are going to break the bank for our senior citizens when it comes to the retirement benefits that they expect to get. The police officers, the firefighters that are paying payroll taxes right into that trust fund right now, they do not realize that it is going out in the form of estate tax payments, in the form of farm support payments, in the form of so-called marriage penalty.

I have to say that I find it inexplicable today that we are spending 3 hours today on this issue. I have to say that here at a time when Stanley Works is talking about moving to Bermuda to save $30 million in taxes, when Neighbors Industries is talking about voting to go offshore into Bermuda to save millions of dollars in taxes, we are not penalizing the American people when it comes to tax policy.

I want to respond to the chairman of the Committee on Ways and Means. Mr. THOMAS. Mr. Speaker, I yield myself 1 minute.

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particularly the chairman, not to allow the gentleman who drafted the bill, who could testify with the level of expertise on this issue, to testify. That was the issue itself.

If the gentleman could explain why he did not allow the gentleman from Connecticut (Mr. MALONEY) to testify, we would like to know it. He never did explain why the gentleman from Connecticut (Mr. MALONEY), a member of the House of Representatives, was denied the opportunity to testify.

I would also respond to the chairman. I happen to be a member of the Committee on Ways and Means. One of the reasons we had to adjourn last week is because at the same time we had this hearing in one of the buildings across the street, the House was debating a very important piece of legislation from the same committee. That was a permanent repeal of the inheritance tax.

Members remember the inheritance tax. That is where 2 percent of the publicly pays something when their estates are probated. It is for the very, very wealthy. Well, as I indicated at the chairman at the committee, and he is pretty powerful, but even though he has all his power, he cannot be in two places at once. So the committee chose to come to the House floor and debate that policy. That is what the debate was all about.

But let us talk about the bill that is before us today. Through the miracle of C-SPAN, hundreds of thousands of people are watching their House of Representatives. We have hundreds of people in the gallery, Mr. Chairman, watching what we are doing.

The tax is going to go home and the neighbors are going to say, Wow, you went to Washington. What did you see? Oh, I saw the Smithsonian, I saw the Vietnam Veterans Memorial, and we had the honor of going to the House floor and listening to the debate.

And the neighbors are going to say, what did you hear? Well, they were debating a bill that would address a problem that might or might not occur in 2011. The neighbors will say, hot damn, really? 2011?

Well, that is 9 years from now. Yes, they took it up today. Had to be done right away. Well, the question is why? I will tell you why. There is one big event between today and January 2011, and you know what it is. It is November 2002 elections. It is the elections. So we are gathered here today to promote our elections. And how about addressing the work and the needs of the people?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman will suspend.

Members are reminded not to address their comments to the viewing audience or the gallery.

Mr. KLECZKA. Mr. Speaker, I am addressing them through you.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, what I was trying to say, and I am assuming what this neighbor will also say is, well, what did you hear about the deficit? Because last year I recall reading in a newspaper. We are going to have surplus, I am not sure I can see. What did they say about the $300 billion deficit of this year? And you are going to have to say back to them, nothing. They did not bring it up.

Well, about a drug program that our seniors are in dire need of, where in my State hundreds and thousands of seniors want Congress to act? No, they did not address that. They are talking about this bill that might be a problem in 2011.

Mr. Speaker, let us separate the wheat from the chaff. What we are doing today is nothing but politics to benefit some of the Members of this House of Members in November of 2002. Clear and simple, that is what it is all about. And the gentleman from Wisconsin (Mr. KLECZKA) voted against a marriage penalty consistently and 200,000 of his constituents will not get the relief.

The fact of the matter is, and you heard the gentleman from the State of Washington (Mr. McDERMOTT), he and I have been on this program to eliminate the marriage penalty since 1995, so I am glad the Republicans are joining us.

But nevertheless, the fact of the matter is there are hundreds of thousands of people in my district who want a drug benefit today, who want us to address the war on terrorism and provide money for that. And they also want us to address the $300 billion deficit. So I encourage my colleagues to talk about those issues today so when your neighbors ask you what they did, they did not think about some problem that might occur in 2011.

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

Mr. Speaker, before recognizing the chairman for an additional minute, I will note that the gentleman from Wisconsin (Mr. KLECZKA) is right. He has consistently voted no on the House floor in opposition to eliminating the marriage penalty. And as early as 1995, there are 133,000 constituents who suffer the marriage tax penalty in his district.

Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I do not know about sequestering the wheat from the chaff, but I do think we ought to separate the bull from the waste.

Notice that when we come to the floor to argue the issue in front of us, they always want to argue a different issue. One week ago today the elimination of the estate tax was on the floor. They did not like us voting on it. The RECORD shows it passed. Today the marriage penalty will pass. Next week we will be introducing legislation to deal with prescription drug costs. But about this Maloney baloney, understand this, we have had 17 full committee hearings and only once did we have a member panel. It is not the ordinary and customary thing that we do. That is balanced and fair and right thing to do. We have had 68 subcommittee hearings and we have had 60 members testify at those subcommittee hearings. We are having a subcommittee hearing on inversions. We have invited the gentleman from Connecticut (Mr. MALONEY). Let us see if he comes, as all the other Members have come to the subcommittee.

The reason they wanted to disrupt the hearing was because they want to make a political point. The Maloney business is baloney.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, we continue to do what I call irresponsible fiscal leadership.

The reason they wanted to disrupt the hearing was because they want to make a political point. The Maloney business is baloney.

Well, that is 9 years from now. Yes, they took it up today. Had to be done right away. Well, the question is why? I will tell you why. There is one big event between today and January 2011, and you know what it is. It is November 2002 elections. It is the elections. So we are gathered here today to promote our elections. And how about addressing the work and the needs of the people?
Is this legislation more important than defense? Is it more important than homeland security? Is it more important than prescription drugs and a host of other pressing issues so we can affect 2011? I think any commonsense response to that is, of course it is.

The truth is this bill will cost more than $63 billion over the next decade. And every last cent, every last cent of that $63 billion comes out of the Social Security surplus. Worse yet, in the second decade of this century, when the baby boomers begin to retire in full force, the cost of this bill is estimated to be $330 billion out of Social Security revenues. The bill is nothing but an exercise in demagoguery. I urge the Members to vote no, to vote yes on the substitute.

PARLIAMENTARY INQUIRY

Mr. MATSUI. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. MATSUI. Mr. Speaker, regrettably I would prefer not to do this, but, on the other hand, I think it is very critical in terms of our decorum in this institution. The speaker before the gentleman from Maryland (Mr. HOVER) made reference to a colleague of ours in what I believe to be a derogatory fashion, particularly right at the end of his remarks. I wonder if the remarks were an inappropriate violation of any rules in the House. I realize this may not be a timely request, but I think it is important to put on the record the ruling of the Speaker, had it been a timely request.

The SPEAKER pro tempore. The gentleman from the State of New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, now I have realized what it is that there is an intricate relationship between marriage repeal and keeping marriage permanent. You are darn right. There is a question of values. You are darn right.

Last week I got up here and urged my colleagues to support the ill-thought-out repeal of the sunset on the estate tax. Here we are again. Besides being a colossal waste of time, these piecemeal votes to reveal bits and pieces of tax cuts that you have promised reveal nothing about the administration's initial cost estimate.

According to the official estimate from the Joint Committee on Taxation, certainly no left-leaning group, no agency from the far left, no Democratic agency, today's bill would cost about $25 billion in 2012. If that does sound ridiculous, it really is. It really is ridiculous, that we even put a budget together 10 years is ridiculous, and the American people know it is ridiculous. We cannot even project what is going to happen 10 months from now, let alone 10 years from now.

Nearly two-thirds of the result of the provision of this bill, an expansion of the 15 percent rate bracket, that only benefits higher income couples. In the 10-year period, this is going to cost $330 billion. If the cost of increased interest payments is added, it is going to rise to $460 billion.

That is why I support the substitute. I think it is a critical substitute. I think it is an important substitute. What it does is it triggers, it triggers, if we cannot protect Social Security when it will not go into effect. You have made this card again a credit card for the Federal Government. And I say you are wrong in doing it and you need to put everything on the table. You cannot look at this in bits and pieces. This is wrong-sided legislation; and you are taking away the very foundation of our society, Social Security.

Mr. WELLER. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, before recognizing our next distinguished speaker here, I would note that the gentleman from New Jersey (Mr. PASCRELL) consistently voted no on eliminating the marriage tax penalty and what he considers a cost to Uncle Sam, to the Treasury, is actually higher taxes on working married couples. That is what this bill does. It triggers. It triggers, I think the gentleman eliminating the marriage penalty.

Mr. PASCRELL. Mr. Speaker, would the gentleman yield?

Mr. WELLER. On your time.

Mr. PASCRELL. I voted for the substitute, so it is not a clear record.

The SPEAKER pro tempore. The gentleman is not recognized and I would appreciate it if the Members in the Chamber are recognized by the Chair before they take the microphone.

PARLIAMENTARY INQUIRY

Mr. MATSUI. Mr. Speaker, parliamentary inquiry.

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Mr. MATSUI. Mr. Speaker, I would have to imagine there must be some rules in mischaracterizing a colleague's voting record or a colleague's vote; and clearly there was because the Democratic substitute is the preference of the Speaker voted for did have marriage penalty tax relief package in it. It just had a pay-for in it. I would have to believe there is some rule in mischaracterizing a Member's position or vote, and I would like a ruling from the Chair on that.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would advise the Member if a Member feels his record is not being reflected accurately, he may debate that on the floor, and the Chair would also appreciate it if Members would not grab the microphone and speak when they are not recognized.

Mr. MATSUI. Mr. Speaker, I think that is understandable.

Mr. Speaker, further parliamentary inquiry, but I have to say, Members need to protect themselves when distortions are given.

The SPEAKER pro tempore. The Chair would advise that Members may engage in debate to correct the record. Mr. Well from Illinois (Mr. WELLER) is recognized.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I cannot believe some of the things being said here today. The other side keeps saying they support marriage penalty relief and yet they do not vote for it.

I rise today in support of marriage. Marriage is a cornerstone of a strong family. There are many influences in today's culture that undermine marriages and there are a lot of those influences we cannot do anything about. But one thing we can keep trying to do is fix the Tax Code, and with the Senate's help, we can do that.

The tax cuts we have passed last year remove many of the worst part of the marriage penalty. We have doubled the standards deductions for marriage couples; we expanded the 15 percent tax bracket to twice the income of single people; but this marriage penalty relief is only temporary. Why? Because of an arcane Senate rule that prevented permanent repeal, not temporary, is not it. Should we not help make marriages permanent, not temporary? Instead of this tax relief lasting through the diamond anniversaries of weddings, marriage penalty relief will sunset on the aluminiun decal behind this bill.

In 2011, when the sunset of tax relief takes place, countless couples will face higher tax bills simply because they said I do. And you know what, that is just plain wrong. We need to fix that in this Congress.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from the State of New Jersey (Mr. PASCRELL).

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Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS asked and was given permission to revise and extend his remarks.

Mr. SHIMKUS. Mr. Speaker, it is tough to come down here in the caldron of the Ways and Means. I have good friends on both sides and I appreciate the diligence, but we have been lobbied by married families that have been asking for a simple solution, some legal certainty.

One of the things that frustrates me the most about this place as an institution is we do things sporadically every year, and we do not provide any certainty or we do not finish the job on
legislation. The perfect example is the tax cut bill, because of the rules of the other body, having to sunset key components of the Tax Code.

The death tax is one of them. I do not personally believe that government ought to redistribute wealth. I think that is supported by the folks in my district. I think other people disagree, but that is what that does, is a redistribution of wealth; and it hurts people who want to get ahead. It destroys family farms and small businesses. It penalizes people for being married, and there is no certainty that this bill will maintain after 10 years.

I just want to boil it down to the simple aspects, and I know there are other issues that we are all involved in, and I appreciate those, but I want to be able to go home and tell married couples that Uncle Sam does not take more money out of their check just because they are married. That is all I want to do, and I want to provide families some certainty that if they get married now or they get married 5 years from now or they get married 11 years from now or get married 12 years from now, Uncle Sam will not take more tax from them because they are married, and that is the simple premise.

A person should not get penalized for saying, “I do,” and the chart states it. It may not be involved in all the other issues, but I ask support of the Republican bill.

Mr. MATSUI. Mr. Speaker, I yield 3½ minutes to the distinguished gentlewoman from Florida (Mrs. THURMAN), a member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I appreciate the gentleman yielding me the time, and I thank him for his leadership, and I kind of want to go on some of what I have heard here this morning from the gentleman from Wisconsin, because I do think that this is about politics.

I went home last week, and the first thing I was called upon to talk about was the repeal of the death tax. Somebody sent out a press release saying that I voted against the repeal of the death tax, and I did. What they failed to mention is that I did vote and offer the substitute to reform the death tax, that little thing that said 3 million per person, 6 million per couple, taking care of 7 percent of the public and of those that would have to pay the estate tax.

So my guess is, and I will correct the record so when the gentleman from Illinois (Mr. WELLER) gets up and says whatever he is going to say, whether I voted or did not vote, I am sure that today when I go home, that there will probably be another press release, and that press release will say, KAREN THURMAN voted against the permanent repeal to redistribute wealth. I will not get that phone call from the Republicans, and I will have to say to them, well, yes, I did, but the fact of the matter is, we did have an alternative last year and again this year, and I was only trying to follow the rules that were put into place in Congress before I got here, because of the problems of deficits, when we did tax cuts, when we did spend the dollars and raise the deficits in this country, and that was something called pay-as-you-go.

I think the American people remember pay-as-you-go. Guess what? In the substitute, we would have been given an opportunity to pay for this marriage tax penalty, but instead, we are going to reduce the tax relief to turn around and strip them, as the Democrats would like to do, 10 years from the date and add to their tax burden.

Mr. Speaker, the House of Representatives will once again show the American people that we are caring about the American family and that we are here taking care of the business that we were elected to do, and last year when the President signed the historic tax cut package into law, the people of Nevada knew that they would finally begin to be keeping more of their own money after having paid into the government more than it needed to operate; and by passing last year’s tax relief package, Congress put hard-earned dollars back into the pockets of 76,904 deserving married couples in Nevada’s Second Congressional District alone, and Statewide nearly 150,000 Nevada couples sought relief from the onerous marriage penalty tax.

If we fail to pass this bill today, we will be increasing their taxes.

Mr. MATSUI. Mr. Speaker, may I inquire of the gentleman how many other speakers he might have.

Mr. WELLER. Mr. Speaker, we have one, maybe two more.

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

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), who has been a distinguished leader in the effort to eliminate the marriage tax penalty.

Mr. HERGER. Mr. Speaker, failure to pass this bill will raise taxes on low and middle-income taxpayers by $42 billion by 2007.

Mr. Speaker, when a couple stands at the altar and says “I do,” they are not agreeing to higher taxes; yet without relief from the marriage penalty, 36 million American couples will pay higher taxes simply because they are married.

Let us be clear. It is just plain wrong to tax marriage. Unfortunately, the marriage penalty relief bill passed last year will expire at the end of 2010 due to arcane Senate budget rules. The legislation for this year makes this relief permanent. If we fail to enact this legislation, married couples will face a massive tax increase of $42 billion just in the year 2011 and 2012. We simply cannot allow this to happen.

Under the leadership of President Bush, last year’s tax relief provided married couples with significant tax relief by making sure that the standard deduction for a couple is twice that of a
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single taxpayer. And by allowing married couples to earn more of their income in the lower 15 percent tax bracket, making sure that our Tax Code does not discourage marriage is not just good tax policy for the next few years, it is good tax policy, period. Now is the time to take up the President's call for hard work for hard working married couples. I urge my colleagues to support this very important legislation.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. MATSU) has 3 minutes remaining, and the gentleman from Illinois (Mr. WELLER) has the right to close.

Mr. MATSU. I would imagine there are no other speakers except the gentleman from Illinois.

The SPEAKER pro tempore. The gentleman from Illinois has 1 1/2 minutes remaining.

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

Mr. Speaker, I have to say I really do not understand why we are here today debating this issue. We should be taking up prescription drugs. We should perhaps even take up the President's three proposals that his Social Security Commission has come up with, because obviously we want to debate the whole issue of whether or not Social Security should be privatized or partially privatized.

The gentleman from Texas (Mr. AR My E) has a piece of legislation on Social Security that privatizes the entire Social Security system over a period of years. We should be debating that issue now. The gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means, has a privatization of Social Security bill. We should be discussing that.

If not those things, which are very important to the American public, at least we should be discussing why at a time of war we are allowing U.S. corporations like Stanley Corporation to go offshore to save $30 million in taxes because now they have become not a U.S. corporation but a foreign corporation in Bermuda; and we all know that all they are going to do is just open up a post office box, a mailbox perhaps, and then be able to save $30 million in taxes. And this is not going to help their employees. This is going to go into the pockets of the owners.

So why not debate these issues? Unfortunately, Mr. Speaker, what is happening here is the fact that my colleagues want a political issue. I think as the gentlewoman from Florida (Mrs. THURMAN) mentioned, I think as the gentleman from Wisconsin (Mr. NIEMEYER) mentioned as a number of Members on our side of the aisle mentioned; and I have to say that this is really a strange debate because I hear my colleagues on the other side of the aisle talk about all of the savings for the American taxpayer and there are three components, and perhaps people do not know this, of the marriage penalty relieve.

One is doubling the standard deduction for couples; doubling the 15 percent bracket for couples; and then the other is the earned income tax credit, which is not really a marriage penalty issue. The only one that is currently in effect is the earned income tax credit. The doubling of the 15 percent tax bracket does not take effect until the year 2005, and of course the doubling of the standard deduction for couples does not take effect until 2005, 3 years from now.

So we are worried about extending these credits, and they have not even taken effect yet. So the irony of this is that we are debating something that is really not real. It is an illusion. It is a falsehood. It does not make any sense.

And the real tragedy, however, is in spite of all these games, if in fact it did take effect, if in fact it did take effect in the year 2011, you would have a drain on the Social Security trust fund of $457 billion. Essentially, Mr. Speaker, this plan that should be defeated. We have a substitute we are going to offer that addresses these issues to preserve the Social Security trust fund. I urge a "no" on final passage.

The SPEAKER pro tempore. The gentleman from Illinois has 1 1/2 minutes remaining.

Mr. WELLER. Mr. Speaker, I yield myself the remaining time.

Ladies and gentlemen, let us get back to the why we are here. We have heard a lot of rhetoric from the other side, basically all the excuses that have been previously used on why we should not eliminate the marriage tax penalty previously.

It has always been let us do it another time. There is something in Washington that we need to spend it. Let us get back to why we need to make permanent the elimination of the marriage tax penalty.

Let me give an example of a couple in Joliet, Illinois, who suffered the marriage tax penalty. A working couple from Joliet, Jose and Magdalene Castillo. They are both in the workforce, a son Eduardo, a daughter, Carolina. They have a combined income of $82,000; and prior to the Bush tax cut being signed into law last year, which included our efforts to eliminate the marriage tax penalty, the Castillo family in Joliet, Illinois suffered an $1,125 marriage tax penalty.

As we can see from the rhetoric today, there are those on the other side of the aisle who would much rather djem the Castillos' hard-earned income, their $1,125 marriage penalty, here in Washington.

What we are asking the House to do today is to make permanent the elimination of the marriage tax penalty because if we fail to make permanent the elimination of the marriage tax penalty, couples such as Jose and Magdalene Castillo will see an $1,125 increase in taxes because their marriage tax penalty will be restored. If we add that together with the other 36 million married working couples who have suffered the marriage tax penalty, it is a $22 billion tax increase. That is the question today. Do we increase taxes by $22 billion on 36 million married couples? Let us vote for permanent our efforts to eliminate the marriage tax penalty. Let us vote in a bipartisan way, and make elimination of the marriage tax penalty permanent.

Mr. MATSU. Mr. Speaker, today in opposition to H.R. 4019. I am not against repealing the marriage tax, but I am strongly opposed to H.R. 4019 for two reasons: the funding source of the bill and the timing of its floor consideration.

First and foremost, the surplus that was promised to the American people last year by President Bush is gone, only to be substituted by the serious and foreseeable signs of a budget deficit in the near future. Currently, there is an estimated budget deficit of about $209 billion—a drastic change from the surplus that was promised. Consequently, the safety net that was to guarantee Social Security and Medicare funding for our baby boomers in the next decade is becoming more of a wobbling hope, instead of a secured promise.

The estimated revenue cost of H.R. 4019 will be over $25 billion per year after 2011, essentially, costing over $330 billion in the next decade. Coupled with the approximate $200 billion budget deficit this year, the future saving for our Social Security is looking dim. Repealing the marriage tax is a good gesture; but it definitely should not supersede the future of Social Security for our baby boomers.

Second, the timing of the floor consideration for this tax penalty is unreasonable and unnecessary considering that none of the marriage penalty tax breaks will fully phase in until 2011. Why are we considering such an issue that will cost so much in the future but has no affect on Americans today, tomorrow or four years from now? We are not sure of what the fiscal situation of the federal government will be in the next decade, but we are cognizant of the responsibilities we have towards the American people and their retirement benefits.

This is true fiscal irresponsibility to bring this bill to the floor today and reeks of election year policy-making for Republican back patting. For those reasons, Mr. Speaker, I am opposed to the passage of H.R. 4019.

I am in favor of the Democratic substitute, which is offered by my esteemed colleague, Rep. MATSU. The substitute offers a permanent repeal of the marriage tax. However, the substitute would be initiated in 2011, and we are cognizant of the responsibilities we have towards the American people and their retirement benefits. That essentially means that we should be out of budget deficit before the marriage tax is repealed.

The substitute and H.R. 4019 are very similar in that they both repeal the marriage tax in 2011. The only difference is that the substitute takes into consideration the baby boomers that will be in need of Social Security and Medicare in the next decade. Those individuals should not lose out on their benefits because of a political gesture by the House leadership during the election year of 2002. This is not just fiscal irresponsibility; it is fiscal insincerity as we have told baby boomers that they will have their retirement needs met when the
time arrives. Democrats are committed to keeping our word to the American people, so I cannot vote on a bill that will void the promise of surplus for these working Americans. Therefore, I am opposed to H.R. 4019 and in favor of the substitute.

Ms. SANDLIN. Mr. Speaker, it was one year ago that this House was considering the merits of President Bush’s $1.6 trillion tax cut proposal. The House Leadership claimed that the sky was the limit for our budget surplus and that the ten-year projections would just continue to grow, and grow, and grow. At the time of the debate, I too, offered support for tax relief, but with the caveat that it should go to those who need it most—hardworking American families—and that it should not curtail our ability to fund our nation’s priorities or hinder our ability to address unforeseen events. I believed Congress had a duty to be fiscally responsible and move slow on tax cutting measures to make certain the projections came true. After all, it is virtually impossible to tell what our federal budget will look like one year from now—at least alone.

Saddened to say, I was wrong. A year ago today we passed a $5.6 trillion surplus has virtually vanished, and once again, we face large federal budget deficits. While the events on September 11 and the sluggish economy played a role in slicing the surplus, there is no doubt that the $1.6 trillion Republican tax cut was the main culprit. It is evident that the priorities I talked about at the time will be much more difficult to address: it will be hard to shore up Social Security for the soon-to-be retiring baby boomers; it will be very difficult to pay down our national debt; it will be an enormous challenge to provide a prescription drug benefit under Medicare; it will be a real struggle to fund the growing needs of our educational system.

With the new budget concerns and all of the problems that Congress has failed to fix, I found it irresponsible of the House to devote more time and energy considering H.R. 4019, or the Marriage Penalty Relief Act. This bill would permanently extend marriage penalty relief past the 2010 sunset date. Moreover, the cost of this bill total about $330 billion in the ten-year period from 2013–2022— at a time when the nation’s budgetary demands will increase because of the retirement of the baby boomers.

I support the Matsui Substitute on Marriage Penalty Relief. This bill would permanently extend marriage penalty relief, but goes a necessary step further that adds a much-needed trigger mechanism to impose financial discipline: the repeal will only go forward if the Director of the Office of Management and Budget certifies that permanent repeal of the marriage penalty tax is necessary step further that adds a much-needed trigger mechanism to impose financial discipline: the repeal will only go forward if the Director of the Office of Management and Budget certifies that permanent repeal of the marriage penalty tax is unnecessary. The Government and President Bush addressed one of the most unjust provisions of the tax code by reducing the Marriage Penalty Tax. We increased the basic deduction from $7,350 to $8,800 for married couples, and nearly one million married couples across New Jersey, my Congressional District, have benefited from this increase. In New Jersey, married couples in my Congressional District, have benefited from our good work to provide relief from the Marriage Penalty Tax.

Unfortunately, these provisions are scheduled to expire at the end of 2010, because of the so-called ‘sunset provision’ included in the Economic Growth and Tax Relief Reconciliation Act. If H.R. 4019 is not enacted, then beginning in 2011, the standard deduction for married couples will be reduced, forcing 21 million married couples to pay more taxes. The Federal Government should not force working couples, through an unfair, archaic Tax Code, to pay higher taxes simply because they choose to be married. The Marriage Penalty Tax weakens the foundation of one of society’s most sacred institutions: marriage. We cannot turn back the clock after making such great strides in providing this sensible, meaningful tax relief, and in the year 2011, force working couples to pay higher taxes simply because they choose to be married.

The Federal Government should not be treating families as a 'pick pocketing' tax cut that’s being used to fund the growing needs of our educational system.

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The Federal Government should not be treating families as a 'pick pocketing' tax cut that’s being used to fund the growing needs of our educational system.
tax that punishes working families. While the tax code actually gives a “marriage bonus” to couples with only one working partner, the “marriage penalty” is applied to couples where both partners work. The average penalty is over $1100. That translates into mortgage payments, car payments or child care for East Texas families.

Last year, on March 29, 2001, I voted for the Marriage Penalty and Family Tax Relief Act, which increased the standard deduction for married couples filing jointly to twice the basic standard deduction of single filers over a four-year period starting in 2001. However, as we all know, the version that was signed into law, as part of the overall tax cut package, re-establishes the marriage penalty in 2011. This is simply not acceptable to me or the millions of couples who are hurt by the marriage penalty tax. I believe that passage of last year’s tax bill was a good step toward eliminating the burden of the marriage penalty tax. However, the sunset is a setback for true, long-term relief.

Today, I am pleased that we have the opportunity to remove again on permanent repeal—making sure that the marriage penalty tax will not rear its ugly head again in 2011. I believe that, no matter what, we must make the marriage penalty tax repeal permanent. Doing so is good for working families—those where both parents are working to make ends meet.

I urge my colleagues to support this important legislation and I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, here we are: another day, another tax cut, another political maneuver by my Republican colleagues.

I would be remiss if I failed to mention that we have already done this. Recall, if you will, April 18, when this body voted to make the last year’s tax cut permanent. Though I voted against it, it passed by a vote of 229-198.

Why are we taking a piecemeal approach and voting on it again? Do we not have anything better to do with our time? Yes, we have plenty to do, like providing a prescription drug benefit for our seniors, increasing the minimum wage so people earn more than 76 cents an hour and making sure patients are protected from insurance company bureaus.

Let’s discuss the substance of this bill, something my Republican colleagues obviously have not done. Last year, the President promised we would be able to maintain a balanced budget, shore-up Social Security and Medicare, provide a prescription drug benefit to seniors, and give a huge tax cut to the wealthiest Americans. Well, as some of us in this body predicted that has not materialized. That irresponsible tax cut was based on ten-year projections. The numbers used by the Republicans were grossly unrealistic. So, here we are, experiencing deficits instead of surpluses and the Republicans are telling us there are no sufficient resources for a decent prescription drug benefit.

Don’t get me wrong, I support, and Democrats support, responsible tax relief, including marriage penalty relief—as long as it is not funded out of the Medicare and Social Security Trust Funds. So, I would ask my colleagues to do the responsible thing. Let us support the Rangel-Matsui substitute. This substitute will permanently extend the marriage penalty relief, as long as there is a determination by the Office of Management and Budget that the Social Security Trust Fund will not be raided to do so.

Ms. JACKSON-LEE of Texas. Mr. Speaker, since 1969, our tax laws have punished married couples when both spouses work. Each year more than one million couples are penalized for no reason other than the decision to be joined in holy matrimony. They pay more in taxes than they would if they were single. Not only is the marriage penalty unfair, it’s wrong. The marriage tax penalty exacts a disproportionate toll on working women and lower income couples with $250 billion debt. In many cases, it’s an unfair women’s issue. I believe this penalty should be fixed but in a responsible way.

A married couple generally is treated as one tax unit that must pay tax on the couple’s total taxable income. Defining the married couple as a single tax unit under the Federal individual income tax tends to violate the goal of marriage neutrality. Marriage neutrality means that the tax system should not influence the choice of individuals with regard to their marital status. However, under the current Federal income tax law, married couples pay the same income tax as two unmarried singles—a marriage tax penalty—while other married couples pay less income tax than they would as two unmarried singles—a marriage tax bonus.

A “marriage penalty” exists when the combined tax liability of a married couple filing a joint return is greater than the sum of the tax liabilities of each individual computed as if they were not married.

Last year, the President promised that we could have it all. He argued that the projected $5/6 trillion in surplus within 10 years was enough for a large tax cut, a decent Medicare prescription drug benefit, increases in education spending, and increases in defense spending. Now, instead of large projected surpluses, we are experiencing deficits for the foreseeable future. The current estimates for this year’s unified budget deficit are between $150 and $200 billion. It is a remarkable change from the $250 billion surplus that occurred in fiscal year 2000.

The Republican bill will not have any impact until 2011. At that point, it will have a revenue cost of over $25 billion per year. It will cost over a quarter of a trillion dollars in the 10 years following the budget window, the time during which the baby boom generation will retire and strain our Social Security and Medicare resources. Democrats do support marriage penalty relief if it is not funded out of Social Security surpluses. However, this is the case. We are being told that there are not sufficient resources for a decent Medicare drug benefit and education spending. I do support the substitute offered by Democrats which affirms marriage and protects Social Security and Medicare.

There is no need, other than politics, to bring this bill up now, especially when we have so much important work that needs to be completed. The marriage penalty relief promised by last year’s tax cut will not even arrive for several years. Additionally, fully 70 percent of the marriage penalty provisions does not take effect until after 2006. Reducing the marriage penalty is the right thing to do, but it must be done in a fiscally responsible way that ensures sufficient resources for vital programs.

Before we pass legislation that drains Federal revenue in future years, we must look at the need to address the serious problems facing the country now, such as Social Security and Medicare.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 4019 the Permanent Marriage Penalty Relief Act of 2002. I urge my colleagues to support this legislation.

This bill provides that the various provisions pertaining to marriage penalty relief in last year’s comprehensive tax reduction legislation be made permanent. At the time of passage, these provisions were set to “sunset” after a period of 10 years in order to comply with procedural rules in the Senate.

The marriage penalty statute punished married couples where both partners work by driving them into a higher tax bracket. It taxed the income of the second wage earner at a much higher rate than if they were taxed as an individual. Since this second earner was usually the wife, the marriage penalty was unfairly biased against female taxpayers.

The Congressional Budget Office estimated that 42 percent of married couples incurred a marriage tax penalty in 1996, and that more than 21 million couples paid an average of $1,400 in additional taxes. The CBO further found that those most severely affected by the penalty were those couples with near equal salaries and those receiving the earned income tax credit.

This aspect of the Tax Code never made sense. It discouraged marriage, was unfair to female taxpayers, and disproportionately affected the working and middle-class populations who are struggling to make ends meet. For these reasons, it needed to be repealed, and today that repeal should be made permanent.

Mr. KIND. Mr. Speaker, I rise today in support of making permanent the marriage penalty tax relief bill passed last year. I strongly believe that we should eliminate the tax penalty that some married couples incur because it is simply the right thing to do. Yet, it must be done in a fiscally responsible way that will not put our country further into the red.

That is why I support the alternative legislation being offered by Representative MATSUI, which will allow the marriage penalty tax relief bill passed last year to become permanent in 2010 as long as the extension does not raise the Social Security Trust Fund. Under this plan, the Director of the Office of Management and Budget will determine if permanent repeal of the marriage tax will not result in a raid on the Social Security. If, on the other hand, OMB determines the repeal will raid the trust fund, the relief will be put on hold. The alternative bill to H.R. 4019 is a fiscally responsible approach to eliminating the marriage penalty because of the inclusion of the Social Security trigger mechanism.

Moreover, the alternative offers permanent relief from the marriage tax penalty while also providing the Federal Government added flexibility. As we have seen all too clearly in these past 9 months, the Government needs the ability to revisit economic forecasts before moving forward with policies that may seriously cripple our ability to respond to new problems. Lastly, the alternative bill before the House today sends the right message to the American people: that we are serious about returning to the practice of fiscal responsibility and protecting Social Security.
In comparison, H.R. 4019, sends the wrong message because it is so clearly fiscally irresponsible. It will cost nearly half a trillion dollars over 10 years and will not have an impact until 2011, the same time that the baby boom generation will retire, and strain our Social Security and Medicare trust funds.

I support the Democratic substitute amendment, which would permanently extend marriage penalty relief if the Office of Management and Budget certifies that the repeal will not result in funds being taken from Social Security.

Congress must adhere to budget policies that will return fiscal responsibility to the Federal Government. The American people expect us to reduce a ran large and growing budget deficit of more than $1.3 trillion. Unfortunately, the budget situation has changed dramatically since last year; large budget surpluses have been replaced by large and growing budget deficits due to the war on terrorism, increased homeland security, and the large tax cut. This year’s deficit will be nearly $314 billion and over the next 10 years, the non-Social Security deficit will total $2.6 trillion.

Mr. Speaker, tax relief is a bipartisan issue. My colleagues on both sides of the aisle recognize the need for providing tax relief to the hundreds of thousands of struggling families across our country. But making this tax cut permanent is not the result of bipartisanship. The last time we passed a tax cut last year that already delaid the opportunity we had to reduce our large national debt and prepare for our future obligations—for aging population and children’s futures.

After decades of deficit spending, it is our responsibility to reduce the debt future generations will inherit. We must not keep digging. A deeper hole for our children to climb out of in the future, rather, we must give them the capability and flexibility to meet whatever problems or needs they face. I cannot, in good faith, support a tax cut that will put our country further into deficit spending and pass a legacy of debt onto my two little boys.

Mr. Speaker, I urge my colleagues to oppose this fiscally irresponsible tax cut. Making the tax cut permanent without consideration for our Nation’s fiscal situation will only further exacerbate our country’s poor fiscal health. We must shore up Social Security and Medicare and reduce the national debt before passing such an expensive tax cut that we cannot afford. I did not come to Congress to saddle my two boys with a debt burden they did not create.

Mr. BLUMENAUER. Mr. Speaker, last year the administration and Republican leadership brought forth a tax cut and budget proposal. I opposed that proposal for its unrealistic assumptions and potential for leading us down a fiscally dangerous path. A year later we are witnessing the deficits and raiding of Social Security and Medicare that were all but inevitable.

Now, with the reality of deficits staring us in the face, the Republican leadership brings to the floor another in a series of bills that repeal the sunset provision of a part of their tax cut package. Reducing the marriage penalty is the right thing to do, but it must be part of a responsible budget framework.

H.R. 4019 will cost nearly half a trillion dollars over the next two decades. The Republican leadership offers no plan to take these funds from anywhere but the Social Security and Medicare trust funds.

I support the Democratic substitute amendment, which would permanently extend marriage penalty relief if the Office of Management and Budget certifies that the repeal will not result in funds being taken from Social Security.

Congress must adhere to budget policies that will return fiscal responsibility to the Federal Government. The American people expect us to reduce a large and growing budget deficit and honor our commitment—a task that only becomes more unlikely with the bill before us today.

Mr. BARCIA. Mr. Speaker, I rise in strong support of H.R. 4019, the Permanent Marriage Penalty Relief Act. This important measure will permanently reduce the marriage penalty which effects millions of married couples across our Nation.

I would like to recognize the leadership of Congressman WELLER, and I want to thank him for giving me the opportunity to do my part to ensure that the marriage penalty is permanently removed from the Tax Code. It has truly been an honor to work with him.

Let me begin by saying that, fundamentally, the marriage penalty is an issue of tax fairness. Married couples on average pay $1,400 more in taxes simply because they are married. This is an issue on our Nation’s married couples and an unfair burden on the American family.

Marriage is a sacred institution and our Tax Code should not discriminate against those who are wed.

As most of you know, the marriage penalty occurs when a couple filing a joint return experiences a greater tax liability than would occur if each of the two people were to file as single individuals.

The Congressional Budget Office estimates that more than 25 million married couples suffer under this burden.

The legislation that is before us will erase this great injustice from our current Tax Code.

It is important that more than 30 million American families know that this relief is permanent so they may use their hard earned money to build better futures.

For me, this bill strikes to the heart of middle-income tax relief. In my district in Michigan, there are over 3,000 families who would benefit from this relief. These are the people who are the backbone of our communities, these are the people who need tax relief the most and we must make sure America knows this much deserved tax relief will not be lost because of a sunset date.

This bipartisan bill achieves that goal—and I know that all of us present here today who support the measure will not stop working until this legislation is signed into law. My constituents have spoken to me on this issue—and the time has arrived to act decisively to permanently eliminate the marriage penalty.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 4019, the Permanent Marriage Penalty Relief Act, of which he is a cosponsor. This legislation would make permanent the various provisions in the tax cut law enacted last year that reduced the so-called “marriage penalty.” Without the passage of H.R. 4019, the marriage penalty relief provisions, which are currently set to be implemented beginning in 2005, will expire at the end of 2010.

At the outset, this Member would like to thank both the main sponsor of H.R. 4019, the distinguished gentleman from Illinois (Mr. WELLER), and the chairman of the House Ways and Means Committee, the distinguished gentleman from California (Mr. THOMAS) for their instrumental role in bringing H.R. 4019 to the House floor today.

This member supports the passage of H.R. 4019 because this legislation last year permanently reduce the current marriage penalty inherent in the provisions of the Internal Revenue Code. Thus H.R. 4019 will make a major step toward meeting the principle that the Federal income Tax Code should be marriage neutral. It would not result in funds being taken from the Internal Revenue Code if the Administration proposes a budget that includes a tax cut.

Without the passage of H.R. 4019, this important legislation would not be signed into law. This Members urges his colleagues to support the Permanent Marriage Penalty Relief Act.

Mr. ROEMER. Mr. Speaker, I rise in strong support of H.R. 4019, a bill to make the marriage tax cut permanent. This is prudent and fiscally dangerous path. It strengthens our most basic institution, the institution of marriage, which we should encourage rather than discourage under the United States Tax Code.

I have always cosponsored and voted to repeal the marriage penalty. I have also voted to override the former President’s veto. It simply did not make sense that our tax laws made it more expensive to be married than single. For more than 30 years, out tax laws punished married couples when both spouses worked. In my district alone, more than 60,000 families have been adversely affected by this marriage penalty. More than 600,000 families have been punished by the marriage tax in my State of Indiana as a whole.

With my strong support, Congress finally enacted legislation to gradually reduce the tax penalty until fully repealed in the year 2009. Unfortunately, however, the effect of last year’s tax cuts results in sunsetting marriage penalty relief and returning to the full tax rate in 2010 and beyond, this would clearly present a shocking and unwelcome burden to married couples, forcing changes in planning how family income is spent on their children’s college education and student loans, mortgage payments for their home, and retirement savings.

I support this legislation not only because it provides fairness to married couples, but also because it strengthens the institution of marriage from an IRS standpoint. This bill encourages stable two-parent, marriage-bound households. Whether it is in a church or in a civil courthouse, this legislations realistic. The pressures on working families are significant enough without this disincentive on the tax books. Therefore, I strongly encourage my colleagues to support this legislation repealing the marriage tax sunset and making it permanent for every current and future married couple in America.

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

H3530
AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MATSUI

Mr. MATSUI. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore (Mr. LAHOOD). 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. Matsui.

Strike all after the enacting clause and insert the following:

SECTION 1. MARRIAGE PENALTY RELIEF PROVISIONS MADE PERMANENT.

As excepted in section 2, title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of Act) shall not apply to title III of such Act (relating to marriage penalty relief).

SEC. 2. TAX REDUCTIONS CONTINGENT ON NOT RAIDING SOCIAL SECURITY TRUST FUNDS.

Section 1 shall not take effect unless, during calendar year 2012 and each year thereafter, such funds shall be treated as raided during any fiscal year for which there is a deficit in the non-social security portion of the Federal budget.

The SPEAKER pro tempore. Pursuant to House Resolution 440, the gentleman from California (Mr. Matsui) and the gentleman from California (Mr. Thomas) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. Matsui).

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

Mr. Speaker, I would just like to say we will concede for the moment the fact if the other side wants to extend this debate, it will extend it with them. We will take the bill from the other side of the aisle, their legislation, and say we will extend it. However, we would just put a provision in there that they should accept because last night when we had the motion to instruct, they did the same thing when it came to energy taxes, and that is 1 year before the proposal is to be extended, that is 2010, a full 8 years from now, we are talking about some 8 years from now, in 2010, the director of the Office of Management and Budget would have to certify that over the next 10 years, none of the funds to pay for marriage penalty relief would come out of the Social Security trust fund.

Mr. Speaker, that way my colleagues on the other side of the aisle could have it both ways. They could say that they have extended the marriage penalty relief for all Americans, and take care of all those people that the gentleman from Illinois (Mr. Weller) showed up of, and at the same time they will protect the Social Security trust fund. Seven times in the last 3 years my colleagues on the other side of the aisle voted for a so-called lockbox to preserve the Social Security surplus so it could not be used for tax cuts or spending.

And so it is a very simple amendment, something that I believe that they support, something that certainly we support. If the gentleman from California said the most important aspects senior citizens have is a guaranteed benefit at the end of the day, a Social Security benefit that frankly is actually only worth about $800 a month for the average senior citizen; but for many, it is the only thing they have.

If my colleagues on the other side of the aisle vote against my substitute, then they are basically the police officer who is defending us, the firefighter who is protecting us, the teacher who is teaching our children, as they pay their payroll taxes into the Social Security trust fund, that that money is not necessarily going to go to them when they retire. We all know this.

Our bill will let them have their relief in 2011. We will continue the marriage penalty relief, but only if it does not come out of the Social Security trust fund to do damage to the retirement benefits of our senior citizens.

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

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

Mr. Speaker, golly, if any Members listened to the first hour, they would think our friends on the other side of the aisle were in opposition to what we wanted to do. That it was a sham, a farce.

And then, lo and behold, their substitute takes the majority’s bill. Now at this point I am running through my knowledge of quotes that might perhaps put this in perspective, and the only one that comes to mind is the Yogi Berra quote, “When you come to a fork in the road, take it.”

Mr. Speaker, what we have here is an hour of debate about how horrible this side of the aisle and those who really do want to eliminate the marriage tax penalty on the other side of the aisle are in trying to offer permanent repeal.

If at this point the gentleman from California (Mr. Matsui) is offering permanent repeal, he is offering the underlying bill. So if the gentleman from California did not understand the context in which I referred to his argument about the fact that the gentleman from Connecticut was not allowed to appear in front of the full committee, in which I said there had been 17 full committee hearings, and we could only do this because we have the willingness of the Democrats to go ahead and overrule the amendment, instead of the amendment. Mr. Matsui, I said it was the *** baloney. And if the gentleman does not understand the use of that phrase, let me explain it. Apparently the argument that the Democrats have been making for the last hour is baloney. If I may have a ruling, Mr. Speaker.

The SPEAKER pro tempore. Does the gentleman from California (Mr. Matsui) in his parliamentary inquiry demand that the gentleman’s words be taken down?

Mr. MATSUI. Yes, I do, Mr. Speaker.

The SPEAKER pro tempore. Members will suspend. The Clerk will transcribe and report the words.

Mr. THOMAS. Mr. Speaker, rather than delay the process, since a number of Members really want to go home and rather than trying to get the Parliamentarians to attempt to divine sentence structure, the gentleman from California would ask unanimous consent to remove the statement and put in its place that the argument from the gentleman from California about the way in which the gentleman from Connecticut (Mr. Maloney) was treated is phony baloney.

Mr. MATSUI. Mr. Speaker, I object.

The SPEAKER pro tempore. Mr. Speaker, par-liamentary inquiry.

Mr. MATSUI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from California (Mr. Matsui) will state it.

Mr. MATSUI. Mr. Speaker, I would appreciate a ruling from the Chair.

The SPEAKER pro tempore. The gentle-
man will suspend.

Is there objection to the gentleman’s unanimous-consent request?

Mr. MATSUI. I object, Mr. Speaker. I would like a ruling from the Chair, Mr. Speaker.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to withdraw the words so that we can go forward.

Mr. MATSUI. I object, Mr. Speaker. I would like a ruling from the Chair, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard. The Clerk will continue to transcribe the words.

Mr. THOMAS. Mr. Speaker, in a further attempt to expedite the process, the gentleman from California asks unanimous consent to strike the words.

Mr. MATSUI. I object, Mr. Speaker.
The SPEAKER pro tempore. Objection is heard.

Mr. THOMAS. Mr. Speaker, in a further attempt to expeditiate the process in which the gentleman from California's comments about the committee's failure to allow Members of the minority to make a colloquial way sometimes referred to as baloney, the gentleman from California is willing to strike that structure which has been presented if it offends the gentleman because I want to move on with the debate. The gentleman's argument, notwithstanding that, is still phony; but if he is so upset with that reference that we continue to delay the proceedings of the floor, the gentleman from California would ask unanimous consent that that be struck.

Mr. MATSUI. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

The Clerk will read the gentleman's words:

The Clerk reads as follows:

So if the gentleman from California did not understand the context in which I referred to his argument about the fact that the gentleman from Connecticut was not allowed to appear in front of the full committee, in which I said there had been 17 full committee hearings, and only one had members in front of it, is baloney. I said it was the "Maloney Baloney" and if the gentleman does not understand the use of that phrase let me explain it. Apparently the argument that the Democrats have been making for the last hour is baloney.

The SPEAKER pro tempore. The Chair is aware that the gentleman from California was using the word "baloney" to characterize only the rationale offered by his opposition, but the Chair nevertheless finds that the use of another Member's surname as though an adjective for a word of ridicule is not in order. Without objection, the offending word is stricken.

There was no objection.

The SPEAKER pro tempore. Without objection, the gentleman from California (Mr. THOMAS) may proceed in order.

There was no objection.

Mr. THOMAS. Mr. Speaker, clearly, based upon the Chair's ruling, the fact that the argument had been made about the denial of a Member to appear before the committee is without substance. Perhaps if somebody had notaurus and they look up synonyms for "without substance," they may find a word referring to a particular lunch meat.

The fundamental point we are making here is that an hour with their children under the age of 18 who will face a crushing debt burden and higher taxes if we do not take action now to deal with Social Security and Medicare. I wish my colleague from California had brought that up last year instead of what got us into the debt position that we are in today.

Mr. Speaker, I want to provide relief to the 57,000 families in my district who are counting on us to make sure that when they retire. I also am very concerned and care about the 253,000 workers paying Social Security today, the 250,000 children under the age of 18 who will face a crushing debt burden and higher taxes if we do not take action now to deal with Social Security and Medicare. I wish my colleague from California had brought that up last year instead of what got us into the debt position that we are in today.

Mr. Speaker, the only way you do that is to vote for the Matsui amendment. If you are for marriage tax penalty relief, and I am, it is the same bill you voted on the floor and argued again today for. Reducing the amount of revenue so that we default on our obligations, that is what you are for. Instead of figuring out how we are going to stop the tide of rocky red ink and stop spending Social Security surplus dollars, the majority leadership continues to bring to the floor legislation that will continue to add more debt and increased borrowing from the Social Security surplus. And let me say since somebody will stand up here and say spending, for the record, in the 12 years I was here with Republicans in the White House, the Reagan-Bush years, only 1 year did the Congress, the big-spending, liberal Democratic Congress we hear so much about, ever spend more than the President asked us to spend.

In the 8 years of the Clinton administration, with majority Republican leadership in this body, you will find we spent, Congress, notice I say "we," I am part of you, us. It is time for you, us, to get honest with our debate and stop this politicizing and sending out the press releases that you send in to my district.

Let me repeat, if you really want to do away with the marriage tax penalty and protect Social Security today, there is only one honest vote you can cast, and that is to vote for the Matsui substitute. It is the only one that says we can only do these things that feel good, sound good, and good press releases if you pay for it.

Yesterday we voted on the energy bill, an energy bill that is a great bill. I commend the chairman of the Committee on Energy and Commerce. The gentleman from Massachusetts (Mr. MARKEY) and the gentleman from Louisiana (Mr. TAUZIN) did a great job. Yesterday we voted unanimously to pay for it. We voted to pay for it. Some were saying, well, we really did not mean it. Some of us meant it. I would like to get the tone of the debate back now. As I said in the beginning, I am willing to engage in debate.
I wish somebody would stand up on this side and say what is it that I have said that is not true, what is it about the fact when I state very clearly if you want to do away with the marriage tax penalty, exactly like everybody on this side, all of my friends, it is the same bill.

It is the same marriage tax penalty bill. But what it does not do, it does not increase the deficit on the Social Security system in the second 10 years that your amendment, pure like you want it voted on, does. That is the issue.

I wish you had the same courage now to stand up and say we are going to borrow the $750 billion in order to give you that tax cut, and we are going to send the bill to your grandchildren. That is what you are doing. That is exactly what you are doing.

Why are we doing this? What is it that makes this such a great political issue? I do not understand.

Vote down the substitute, let us get civility back in the House and start working together, before we undo a lot of good things for our grandchildren.

Mr. THOMAS. Mr. Speaker, I yield myself. I may comply with your request. Mr. Speaker, I appreciate the gentleman’s desire to let us get back together, to let us lower the political rhetoric. We are doing some kind of game here, and what they are being engaged in is serious legislative business.

Mr. Speaker, I ask anyone to read the substitute. First of all, their bill has no effect until 2010, calendar year 2010. That is 8 budget years from now. We do not have to worry about what kind of obligation our children are going to have if we make prudent spending decisions, if we stimulate this economy to allow entrepreneurship to prevail so the economy can grow.

We have eight budget seasons to create an environment to bootstrap ourselves out of the situation that the tragic events of September 11 of last year put us in, the position we are in. So to say that now we have to shut off all possibility for 8 or 10 years down the road, basically tells me they have no faith in the American people and they have no intention to engage in prudent fiscal policy over these 8 years.

Now, let us talk about taking rhetoric out of the debate. If you find out what it is that the structure of the substitute does is, it takes the congressional control over the purse strings, jealously guarded by the Congress over the years, and blithely says the Director of the Office of Management and Budget would certify, would take the decision out of the people’s House and take it down to the executive branch. I think that is fundamentally wrong. It undermines a key provision of the Constitution.

But what is that the Director of the Office of Management and the Budget is supposed to determine? This is where the politics comes in. I know some-times we use jargon, and especially budgetary jargon, and it gets confusing about what we really mean.

Let me read. It says that “during such 10-year fiscal period, the provisions of section 1 would not result in a raid on Social Security trust funds or increase the size of a raid on such funds.”

Now, I would say that the fundamental political motivation of this substitute is to focus on how they describe the decision that the Director of the Office of Management and Budget would make. He or she would decide whether or not there was a, quote-unquote, “raid” on the Social Security trust fund.

If you believe that is technical jargon that is used to determine a budgetary consequence, okay. If you believe “raid” carries pretty heavy political power and that the determination of a raid does not create an attitude, does not get you into a negative frame of mind, then you do not understand how much this is a political exercise.

I appreciate the gentleman from Texas, my friend, and his fundamental concern about our resources. I believe he is honestly trying to make sure that we live within our budget. I agree with him. I am willing to join hands with him. But what I want to do is unleash entrepreneurship, to hold the fiscal discipline in place. We cannot work our way out of this problem. But I just have a little trouble with the technical term to determine whether or not his substitute has validity, and it is the term “raid.” I think the term “raid” in and of itself is a political statement.

Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois (Mr. WELLER) and ask unanimous consent that he be allowed to control the time as he sees fit.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. STENHOLM), so he may be able to characterize his own comments, rather than have someone else do it for him.

Mr. STENHOLM. Mr. Speaker, I am sorry you misread the substitute of the Committee on Ways and Means is leaving the floor, but I see he is coming back now.

I would just ask the chairman respectfully if the criticism that you just made of the Matsui amendment would not be equally applied to your bill on the floor, because it is the same language.

Now, as far as the word “raid” is concerned, I would be perfectly willing to change that. We could say “steal,” we could say anything; but that does not help. But I want to yield to the gentleman. Is not the criticism that you made of the Matsui amendment equally applied to the bill that you are touting on the floor today?

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding.

I will tell the gentleman it does not, because we do not want to take that in place the current tax structure on a permanent basis. If I might very briefly continue, and I will try to get time on this side if the gentleman does not have it, if you have indicated you agree want to make the tax permanent, and I want to make the tax permanent, if we make the tax permanent, is it not incumbent on us to make sure we follow fiscal discipline over the next 8 budget years and make sure we move tax measures that can empower the business sector and individuals so that we can grow the economy so that we do not have to worry about the consequences that the gentleman is concerned about?

I think it is the idea of fiscal conservatism and the idea of trying to grow the economy that some of my friend from Texas’ friends are worried about actually having to do. You would rather create a false crisis than to grow ourselves out of it. That is my opinion.

Mr. STENHOLM. Mr. Speaker, reclaiming my time, I thank the gentleman for that comment. It is interesting how you can stand here on the floor and look me in the eye and say that the criticism of the exact language is not the same.

Now, you make an argument on a separate issue, and this is the one that I take to the floor to oppose, because I think making tax cuts or spending increases permanent is not fiscally responsible.

Mr. WELLER. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. THOMAS).

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think making tax cuts or spending increases permanent in the climate which we are now under, in which we have seen a $5.6 trillion surplus evaporate and we are now into a $300 billion deficit, I do not believe it is fiscally responsible for our grandchildren to have votes like this day after day after day. I do not. I respectfully differ.

And on the spending, one thing that really grates on me, when we attempted to have a vote on a substitute budget this year that would have made this argument in the budget, you on the majority side denied us the opportunity to have that debate on the floor of the House during the budget. That is what I get to do.

Mr. THOMAS. Mr. Speaker, reclaiming my time, I understand the gentleman chafes under the rules of the
House because he is now a minority. I understand that. I was 16 years in the minority, and we are operating under far more liberal rules of the House. I understand how it grates on him.

But I will tell the gentleman that the structure of the amendment he is in is basically the same mechanism that he was in the majority with far less liberal than ours. If the gentleman will carefully review what I said, which is good practice for everyone, my complaint was about the use of the term "raiding" and the fact that the structure that I reviewed was the Office of Management and Budget. That does not appear in the underlying bill.

As far as I know, one of the best motivations to make sure people do the right thing is to have a goal; and if we make marriage tax relief permanent, we have a goal to make sure that the responsibility of not pushing this off on to our children is one that we would match by fiscal conservatism and stimulation of the economy.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. LEVIN), a member of the Committee on Ways and Means.

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

Mr. LEVIN. Mr. Speaker, I am so pleased to follow the gentleman from Texas (Mr. STENHOLM). We have a lot in common. I think what grieves him and what grieves me is not simply being in the minority, but your fiscal irresponsibility.

For the chairman of the Committee on Ways and Means to rise and call on us to pass a tax relief bill that is not simply being in the minority, but your fiscal irresponsibility.

The fact is that when you get married, you do not want to vote on the debt ceiling separately. You are doing everything you can to avoid it, and at the same time you are passing bills that make the debt worse, worse, worse. So this is not a question of marriage tax relief. Indeed, that bill that originally was here was half of the money that had nothing to do with marriage tax relief, while our bill focused on this, as it did with the estate tax.

What your bill does is in the second 10 years essentially costs $390 billion, plus debt service, which raises it to $460 billion. It used to be said around here that millions matter. What Democrats are saying is that billions and tens of billions matter. You are simply being reckless with the future of our children and our grandchildren, and we are emphatic in saying let us take another look before that happens. That is fiscal integrity, that is fiscal responsibility; and I am proud to rise in support of the amendment of the gentleman from California (Mr. MATSUI).

The fact there has been some histronics on the other side, I would say to the gentleman from California (Mr. MATSUI), I think shows the value of your fiscal irresponsibility.

Mr. WELLER. Mr. Speaker, as we return to the basics of this debate of whether or not we eliminate the marriage tax penalty or do we impose a $42 billion tax increase on 36 million married working couples, I would yield 2 minutes to the gentleman from Missouri (Mr. BLUNT), the distinguished deputy majority whip.

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

Mr. BLUNT. Mr. Speaker, I thank the gentleman from Illinois for yielding me time.

I am here to talk about what happens to working families in 2011 if we do not go ahead and act now, act in a way that responsibly assures that we do the right thing for the children of those families.

My good friend from Texas talked a couple of times about what we are doing for our grandchildren. What do we do for these grandchildren if we accept the figures that we are hearing on the floor today? Mr. Speaker, $460 billion tax increase for families where moms and dads are both working over 10 years, $460 billion taken away from those families where 2 people every day get up, go to work, do their very best for their families, and we decide that we want to reinstates a marriage penalty on January 1, 2011. That is not acceptable; it is not something this Congress should be considering. What we have a chance to do today is to really be sure that this relief becomes permanent.

The fact is that when you get married, you should not have to have a penalty in the Tax Code. If anything, there should be a bonus in the Tax Code. You get more of what you encourage, you get less of what you discourage. A marriage penalty works against the very things that we want to encourage: families working together, people going to jobs every day to try to create a better life for their families. We do not want to have a $42 billion annual tax increase that goes into effect January 1, 2011 because people are married.

If we are going to think about penalties in the Tax Code, it should be somewhere besides here. We need to move forward with this legislation today and we need to make it certain that one of the biggest tax increases in history for working married couples will not be January 1, 2011. The way to do that is to make the marriage penalty relief permanent, to do it now, to let couples begin to plan what they can do with their financial resources in the future for the advantage of their children and grandchildren.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the State of Texas (Mr. GREEN).

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, it is not that I necessarily disagree with what my Republican colleagues want to do in 2011 and for the decade after that, but let me remind my colleagues. We are in the year 2002. We do not need to fight this battle now. Why do we not wait until 2009 or 2010 so we can see what is happening with our budget then? But what we are seeing is that they would rather fight a battle today for $460 billion than 10 years from now instead of dealing with the problems we have today.

We are in a war on terrorism. Our budget deficits are exploding for the very first time in 7 years, as we would expect. Yet, they want to take time today to say we want to make sure you can tax plan for 10 years from now. I wish I could tax-plan for next year or the year after that. The battle should be on how we are going to deal with the deficit right now; how we are going to deal with the tax cut that was passed last year before September 11; how September 11 and the increase that all of us support to fight the war on terrorism, how we are going to deal with an economy that did not come back or has not come back like some of us wanted it to or hoped it would do, or whatever we could do, maybe some other tax cuts, but they need to be more immediate, than to argue today over something that is going to happen 10 years from now. That is why I think it is so ludicrous to be up here saying we are going to take care of you in 2011 but, by the way, for the next 9 years, we are going to have deficits out of the gazoop.

The Democratic substitute, it all says, it has the same things that the Republicans do for 10 years from now, again, which is somewhat silly, but it says, okay, we will do this 10 years from now, but we are going to make sure that Social Security and Medicare are safeguarded. That is all it says. That is why it seems we ought to as a House agree we want to take care of our seniors. There are those of us who 10 years from now may be eligible for Social Security, but I know a lot of my constituents will be, and I want to make sure that they have Social Security and Medicare there instead of having the trust fund continue to be drained away by excessive deficits that we are creating.

Now, I hope it does not happen in the next 3 or 4 years, but unless we address today and not fight battles that are 9
years away, we will not address it and we will have the budget deficits as far as the eye can see, and that is for the next 9 years, Mr. Speaker.

That is why the Democratic substitute is very simple. We will give you the tax cut. You can tax-plan for 10 years from now if you can, but we are going to make sure that if it impacts Social Security and Medicare, that it does not touch it, that the trust funds will be there.

That is why I think it is so strange that we are having a battle for 10 years from now. Even if we are doing it in 2013 to 2022, if the baby boomers are aging into Medicare and Social Security, this legislation could cost $330 billion. Where are we going to get that if we have a $250 billion deficit for this year and for as far as the eye can see? I just think, again, we are fighting a battle for political purposes and not really dealing with the reality at hand, with the war on terrorism or an economy that is not in good shape. We need to do something today instead of 10 years from now.

Mr. WELLER. Mr. Speaker, as we return to the real issue here of whether or not to impose a $42 billion tax increase on 36 million married working couples, I am happy to yield 3 minutes to the gentleman from Texas (Mr. DIXON), the distinguished majority whip.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman yielding me this time.

The House, once again, is revisiting that long debate about whether working families pay too little in taxes or they pay too much. Only the Democrats see cutting taxes as a spending program. Deficits are caused by spending too much money, not by raising too little taxes.

So before I explain why this awful substitute must be defeated, we ought to tell the people where we stand and what this debate is really about.

Over the past 6 weeks, Republicans have voted to lower the tax burden on American families. We extended the adoption tax credit to help more vulnerable children in our society find homes where they are safe and loved. The House permanently eliminated the hated death tax, which destroys so many small businesses and farms. In the weeks to come, we will strengthen retirement security by allowing workers to expand their retirement savings through IRAs, and we will raise the child tax credit to $1,000 so parents can keep more of the money that they earn to support their families.

All of these measures passed the House with strong bipartisan majorities, but the Democrat leadership's continuing devotion to big government causes them to reflexively oppose anything that lets people keep more of the money that they earn. That is why they are demonizing the President's tax cut.

I have seen a lot of Democrat substitutes, and this one is so true to form, it raises taxes $42 billion on over 30 million families. There is rarely a week that passes around here in which the Democrat leadership does not attempt to raise taxes in one way or another. Last week, they even voted to revive the death tax. But the remark about that is not even the most ridiculous proposal we see today. The Constitution clearly states that tax increases such as this one that they propose in their substitute must begin in the House of Representatives. Our system is structured this way so that voters could hold the people who raise their taxes accountable. The Democrat substitute would empower unelected government bureaucrats to raise taxes on married couples based upon their predictions about the government's balance sheet or the needs of the government. Their substitute tries to pull an end run around our Constitution. Their substitute erodes the ability of voters to hold accountable those seeking to grab more of their hard-earned wages.

Members should defend the Constitution and reject higher taxes by defeating this substitute. Vote "no" on the substitute and vote "yes" to support marriage penalty relief.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the State of California (Mr. BECKER), a member of the Committee on Ways and Means.

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

What are we doing today? As is often the case, I think most people watching this are probably pretty confused. What are we doing today? Well, we have a bill from the majority today before us that would cost, during its first 10 years in effect, about $600 billion. But, it will not take effect for the next 7 years, so none of the benefits that are claimed under this marriage penalty relief, alleging all sorts of fiscal benefits, which we are doing with this bill is actually causing families to pay $42 billion on over 36 million families.

Mr. WELLER. Mr. Speaker, as we return to the basic issue here of whether or not we have a $2 billion tax increase on 36 million married working couples, I am happy to yield 2 minutes to the distinguished gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time.

Returning to the debate on the floor today, it is very interesting to listen to the gentleman from California, my friend, because he seems to be of two minds. He stood here on the floor bemoaning making permanent marriage penalty relief, alleging all sorts of fiscal problems, and yet he said to support the substitute offered by the other side.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. No, not right now. I want to make my point.
Mr. BECERRA. Mr. Speaker, I want to explain the disconnect.

Mr. HAYWORTH. Mr. Speaker, on the gentleman's own time he can get the time to explain the disconnect.

Here is the point I would like to make today, and this is the point that I think we all need to keep in mind. If, in fact, they are offering marriage relief, we say welcome. But there is a problem here in what they have done.

Article I, section 7 of the Constitution reads, "All bills for raising revenue shall originate in the House of Representatives." What the substitute does is empower the director of the Office of Management and Budget to make a determination.

So let us get this straight. We are going to take and ignore the powers given to this House to make the czar of the executive branch to decide on tax relief or put into practice. It defies the Constitution.

Mr. Speaker, we are talking about a couple of major issues here today that involve the notion of trust and what is sacred. The marriage vow is sacred, and I believe that, and writings in the Constitution, the Constitution says, "We, the people yield the rights of elected people in a free society, elected representatives, described in this document of limited and enumerated powers, for a gimmick empowering a bureaucrat in the executive branch to decide on tax revenue the director of the Office of Management and Budget, and that person will decide when and if tax relief will be enacted or put into practice. It defies the Constitution.

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Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), a member of the Committee on Ways and Means.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I am sure the previous speaker, by the way, in employing the logic he did as he pulled out the copy of the Constitution, I would bet Members anything he voted for the line-item veto. So where Congress is in charge of spending by the Constitution, I will bet he voted to give that power to the President of the United States, I would be willing to bet anything he voted for that.

Mr. Speaker, today we vote on whether or not to repeal the sunset provision of the Marriage Penalty Tax Relief Act. Now, marriage penalty tax relief is important; but just as important is, how do we pay for it? Time and again, the House has been prohibited from voting on ways to pay for tax relief provisions that do not steal from Social Security and Medicare trust funds. The substitute is a responsible approach to providing marriage penalty relief by guaranteeing certification that the Social Security trust fund is not to be raided for this purpose.

Mr. Speaker, the Democrats simply want to pay for this tax relief act by implementing provisions of the Corporate Patriot Enforcement Act, sponsored by myself and that old meatgrinder, the gentleman from Connecticut (Mr. MALONEY), Taxpayers across the country want Congress to act swiftly to stop these corporations from shelving their patriotism to save a few bucks.

That is what we should be debating on this floor, these companies that are moving to Bermuda. But constituent calls have fallen on deaf ears because we cannot remove this piece of that isolation to the floor. The Neal-Maloney Corporate Patriot Enforcement Act would immediately and permanently shut down the exodus of American corporations that are moving to Bermuda, in this time where we are all feeling this not about this Nation, so they can avoid paying U.S. corporate income taxes.

Mr. Speaker, we are talking about a couple of major issues here today that involve the notion of trust and what is sacred. The marriage vow is sacred, and I believe that, and writings in the Constitution, the Constitution says, "We, the people yield the rights of elected people in a free society, elected representatives, described in this document of limited and enumerated powers, for a gimmick empowering a bureaucrat in the executive branch to decide on tax revenue the director of the Office of Management and Budget, and that person will decide when and if tax relief will be enacted or put into practice. It defies the Constitution."

Mr. SPEAKER. Mr. WELLER.

Mr. WELLER. Mr. Speaker, as we return to the debate on the issue before us on whether or not to impose a $42 billion tax increase on 36 million married working couples, I am happy to yield 3 minutes to the gentleman from Florida (Mr. SHAW), a distinguished member of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to just review exactly where we are, where we are going, and why we are here. If I understand the way the thing is arranged right now on the substitute, to begin with, I think it is a truism, and I have not heard anybody in this House stand and say the marriage penalty. It is a tax that taxes people that are married, where there are two wage-earners in a household, more than they would be taxed if they were single. Everyone in this House agrees that that is wrong, and we are correct in this situation.

But because of this peculiarity in the rules of the Senate, we are only able to do it for 10 years, so we did it for 10 years. Ten years is better than nothing. Now we want to make it permanent. I would say that many Democrats are going to vote with the Republicans in making it permanent. They are not going to turn this over to the Office of Management and Budget.

The previous speaker, I think, made a very interesting observation. I am surprised it has not been made many times, at least from this side. Yes, a lot of us did vote for the line-item veto, but the court said that the line-item veto given to the President is unconstitutional because the line-item authority to the executive branch.

Whoa, wait a minute. Is that not what we are doing here? Are we not giving the Office of Management and Budget the opportunity to give a huge tax increase simply by funding it and not having to vote to increase taxes. Vote against the substitute; vote for the underlying bill.

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

Mr. Speaker, I am glad people are concerned about the Constitution of the United States. I wish we were concerned about it in a lot of other cases, as well.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. BISHOP).

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

Mr. BISHOP. Mr. Speaker, I rise today to support repeal of the sunset provision of the Marriage Penalty Relief Act. Mr. Speaker, a recent study found that over 728,000 married couples in Georgia, 52,000 in the district I represent, are adversely affected by the marriage penalty. Today we have the ability to remove this burden and repeal one of the most unfair provisions of our Tax Code. The family is the basic unit of society. As the family goes, so does our society go. The Bible says, he who finds a wife finds a good thing and obtains favor from the Lord. Marriage is a good thing. It is awful that our current laws encourage cohabitation without marriage. Untold numbers of men and women should not be encouraged to make this choice. At best, our laws should support marriage and the family; at the least, our laws should be neutral.

Today I ask my colleagues to embrace marriage, embrace the family, and be encouraged by a guess that everyone will find their good thing. Remove the financial hassle associated with matrimony, permanently repeal
the marriage penalty, and fully encourage the institution of marriage and the strengthening of our family units.

Mr. WELLER. Mr. Speaker, as we return to the basic debate we have before us of whether or not to impose a $42 billion tax increase on 36 million married working couples, I am happy to yield 1½ minutes to the distinguished gentleman from Missouri (Mr. AKIN).

Mr. AKIN asked and was given permission to revise and extend his remarks.

Mr. AKIN. Mr. Speaker, I rise to speak against the Democrats’ substitute.

Mr. Speaker, I would say that anybody who is going to acknowledge the need for some level of fiscal responsibility, that is something that I think we all respect and know that we have some need for that. The question is, does this, the Democrat substitute, really give us any fiscal responsibility, or is it, rather, a fig leaf or an excuse? I am afraid it is more of a fig leaf and an excuse.

The substitute stipulates that the marriage penalty is going to be reimposed, this unfair prejudice against married people will be reimposed, unless there is a non-Social Security surplus. Now, there are a couple of problems with that. The first problem is, who is it who is going to make that determination? We are going to ask our people to oppose the substitute and support eliminating permanently the marriage penalty on American families.

Mr. MATSUI. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, again, I just want to reiterate some numbers here before the last speaker closes, if I may.

At this time, we have tapped into the Social Security trust fund, in other words, money that is payroll tax, money that people think is going into a trust account to pay for their retirement benefits, by $1.7 trillion. That includes debt service, and it includes spending programs that we will have over the next 2 or 3 months.

If we extend the tax cut, if we pay for the defense bill, the farm bill, the President’s Medicare proposal in terms of his prescription drug proposal, we could add to that another $1.5 trillion, and make a total of $3.2 trillion.

If in fact we do those things, and I think most people will agree we are going to have to do many of these things, we are going to make it impossible to solve the Social Security problem in America. We are going to make it impossible to make sure that we continue benefits for our senior citizens.

Mr. WELLER. Mr. Speaker, as we continue our debate on whether or not to raise taxes by $42 billion on 36 million working couples, I am pleased to yield 2½ minutes to the distinguished gentleman from Minnesota (Mr. KENNEDY).

Mr. KENNEDY of Minnesota. Mr. Speaker, the previous speaker, the gentleman from California, asked, what are our priorities, and asked us to focus on fiscal discipline and fiscal responsibility.

Yes, our priorities include making sure that Social Security is secure for all generations and that we preserve Medicare and add prescription drug coverage. In so doing, I would remind the gentleman that we are the only people who have put forth in the past a budget to keep that fiscal responsibility.

But my responsibilities also include, and this includes including families and, keeping them strong as the bulwark of America. When we do that, the big fear that I have is that my children, when they come to me later on and they decide that they have found someone they want to spend the rest of their life with, that you have taught them about fiscal responsibility, they will say to me, dad, I can save $1,400 if we just live together and do not get married, and we can use this $1,400 a year on all kinds of good and wonderful things, because I have taught them to be fiscally responsible.

That is not a question I want to have. We have to take care of Social Security and Medicare. We should not be doing that on the backs of American families. Whether or not we are spending Social Security; this is about whether we value and put a priority on families as the basis of our American life. I would encourage Members to oppose the substitute and support eliminating permanently the marriage penalty on American families.

The only way we are going to be able to do that on this bill, Mr. Speaker, is if in fact we support our substitute, which basically says that we will let the marriage penalty relief go into effect in 2011; however, the Director of the Office of Management and Budget must certify that no funds over that 10-year period will invade the Social Security trust fund, as we are doing now.

It is my hope, Mr. Speaker, that we vote for this substitute and turn down final passage of the bill if my substitute fails.

Mr. Speaker, I yield the balance of my time, which I believe is 5 minutes, to the distinguished gentleman from Texas (Mr. TURNER).

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

Mr. Speaker, it is time for this Congress to start being honest with the American people. Last June I was among a majority of this House that voted for the largest tax cut in the history of this country. The official estimate at that time of the surplus were that we could anticipate over $5 trillion in surpluses over the decade. We spent half of that on the tax cut. Here we are just one year later and the balance of that surplus is gone. In fact, the projections are that we have deficits as far as the eye can see. The question that we should be debating on this floor today is not how many additional tax cuts can we give where we should be debating is who is going to pay the bills.

We all have stood united with our President, Democrats and Republicans alike, in a commitment to fund whatever is necessary to win this war on terrorism and to protect the security of the homeland. But my Republican colleagues refuse to acknowledge that we should not only vote to spend the money for the war, but that we should be willing to pay the bills for this war. Instead, they bring a new tax cut on the floor every week. You would think that September 11 has never happened. We have called to the young men and women in uniform serving in far-off places to be willing to make the ultimate sacrifice for our freedom, but we, in this Congress have refused to tell the American people that they too must be ready to share in the sacrifice by at least being willing to pay the bills.

Instead, the Republican majority has said to America’s younger generations, we will leave the bills to you. We should not ask the young men and women in uniform to go fight this war and then come home in their inexperience to be stuck paying the bill for the war they fought. Nor should we be telling the next generations of seniors that we are going to use their retirement funds, the Social Security trust funds, to pay for this unnecessary war.

Never in the history of our Nation have we cut taxes in the midst of war. The way we are headed, this Republican administration will have the largest increase in spending of any administration in our history and will have the largest tax cut in our history and nobody owes it to the American people to tell them why and to tell them that sacrifice goes beyond the duties of
those young men and women in uniform to the American people.

If we really believe in protecting those young men and women fighting in far-off places, if we really believe in supporting the FBI and the CIA and the law enforcement community that is fighting the war on terrorism, we should be willing to pay the bill.

I will be happy to give additional tax relief to any American family just as soon as we can tell those American families that it will not be done with money borrowed from your seniors’ retirement funds and it will not be done with money borrowed from the public, because today that is exactly what our Republican friends propose.

If we really believe in the great cause to which we are now engaged, let us be honest with the American people and tell them that the surplus is gone, that the bill collector is at the door, and this generation must be willing to make the same sacrifices made by the greatest generation during the Second World War.

The bill I am voting for today will give tax cuts whenever the official estimate of our Congressional Budget Office says that we can do it without borrowing from the credit card of the next generation. A vote for the Democratic substitute is the only honest vote and it is the only way to really stand with the troops fighting for this Nation’s futures today.

Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, let me state that to begin with, I rise in opposition to the Democratic substitute and I would note, as the previous speaker noted, that the right to raise taxes is being handed off to an unelected bureaucrat by the Democratic substitute. And under our Constitution, under the Constitution, all revenue and spending initiatives must originate right here in this House, in this Representatives. And previously when the line-item veto was passed by this Congress and proposed and then passed into law by the Congress, the Supreme Court ruled that at that time the Congress was handing off legislative power to the executive branch and overturned that initiative by the Congress. That is very similar to what our Democratic friends are doing.

Today they are actually giving an unelected public servant or bureaucrat the right to raise taxes. What that would entail would be a 422 billion tax increase. And what could trigger that tax increase on 36 million married working couples is an uncontrollable urge by Congress to spend. There are some in this House who like to spend. They are usually the ones who argue against eliminating the marriage tax penalty. And if they could force a spending increase without even having to vote on it under this measure, they would automatically force a tax increase on 36 million married working couples. That alone is primary reason to vote no on the Democrat substitute.

Let me give you an example of a couple here who really illustrate why we need to make permanent our effort to eliminate the marriage tax penalty. When we worked to eliminate the marriage tax penalty over the last several years, we asked a very basic question, that is, that is under our Tax Code that a married working couple, husband and wife, both in the workforce, who are married, pay higher taxes than an identical couple who live together outside of a marriage? We have debated it, I think, and I think we agree it is wrong for our Tax Code to punish our society’s most basic institution, which is marriage.

The example I have is a young couple from Joliet, Illinois, Jose and Magdalene Castillo. They have a young son, Eduardo, a young daughter, Carolina. He makes about $57,000. She makes about $25,000. They have a combined income of $82,000. And prior to the Bush tax cut being signed into law last winter, our effort to eliminate the marriage tax penalty, the Castillo family paid $1,125 more in higher taxes just because they are married. In Joliet, Illinois, in the area I represent, $1,125 is a lot of money. To some, it is a burden with any other effort to eliminate the marriage tax penalty, the Castillo family paid $1,125 more in higher taxes just because they are married. In Joliet, Illinois, in the area I represent, $1,125 is a lot of money. To some, it is a burden with any other effort to eliminate the marriage tax penalty, the Castillo family paid $1,125 more in higher taxes just because they are married. In Joliet, Illinois, in the area I represent, $1,125 is a lot of money. To some, it is a burden with any other effort to eliminate the marriage tax penalty, the Castillo family paid $1,125 more in higher taxes just because they are married.

For example, Jose and Magdalene Castillo will once again have to pay $1,125 more in higher taxes. And for them, that was 12 percent of their tax bill. So just the marriage tax penalty elimination in the Bush tax cut alone lowers the Castillo family’s burden. But that is money they can spend to take care of their own family’s needs, rather than spending here in Washington.

Every time we brought this effort to eliminate this marriage tax penalty on the floor, there have been those on the other side of the aisle who come up with excuse after excuse of why we should wait, why we should delay, and why we should eliminate the marriage tax penalty right now. They are always for it but let it later. We have heard that before.

Well, today we will have the opportunity to make permanent the elimination of the marriage tax penalty. That is the question. Do we impose a $42 billion tax increase on 36 million married working couples?

Mr. WATTS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. WATTS of Oklahoma. Mr. Speaker, I yield to the gentleman from Oklahoma.

Mr. WATTS of Oklahoma. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I have been listening to this debate for some time. Again, I find it so fascinating that so many would be opposed to giving the American people some of their money back to buy their kids school clothes or help put food on the table or help pay the car insurance. All of these things are very important to people and I think it should be important to the American people.

It is interesting, just some facts behind the eliminating the marriage tax penalty. A vote against this bill is a vote to raise taxes on over 20 million married couples. A vote against this bill is a vote to raise taxes on over 3.9 million married Americans of African descent, African American couples. And the marriage penalty, this penalty that you have worked very hard to eliminate, this penalty hits middle income married couples the hardest. I think it is important that we eliminate this.

As we know, we get taxed every time we turn around. We get taxed when we turn on our lights. We get taxed when we put gas in our cars. We get taxed when we eat lunch. We get taxed when we eat brunch. Moms are taxed when they are taking their kids to Little League ballgames, when they get in their car and they stop at the local 7-Eleven to get fuel or to get oil. Dads are taxed when they go to bed and we kiss our wife good night, and we think that is free, but it is not, because of this unfair, arcane marriage tax.

I commend the gentleman from Illinois (Mr. WELLER) for fighting to eliminate this tax. Love and marriage goes together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage. Marriage and taxes go together like a horse and a carriage.

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Mr. WATTS of Oklahoma. Mr. Speaker, I appreciate the gentleman yielding.

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Magdalene Castillo who it would cost at least $1,125 more in higher taxes if we allow the marriage tax penalty to come back.

That is the debate today. Do we make permanent our efforts to eliminate the marriage tax penalty? Do we raise taxes on the married couples. What the Democrats are proposing is an automatic tax increase on 36 million married working couples. So I urge a no vote on the Democrat substitute. I also urge all of the Democrats offer a motion to recommit, and I ask for a bipartisan aye vote in favor of permanently eliminating the marriage tax penalty on final passage.

Mr. TERRY. Mr. Speaker, I rise in opposition to the Democrat substitute and in strong support of the underlying bill.

Last May 26th, I voted with 239 of my colleagues to scrap the marriage penalty once and for all. We didn’t vote to phase it out over 10 years and then, when it’s gone, we get rid of it. Why? Because, above all, our tax code must be fair.

Is it fair to tax marriage? Is it fair for me to tell my communications director that when he gets married next weekend, aside from paying for the caterer, photographer, music, and reception hall, he’s going to have to pay an additional $1400 in taxes if we do not make this tax cut permanent? What kind of message are we sending to the American people when we can afford pork barrel projects like tattoo removal programs, but are not willing to invest in marriage? Well, how’s this for bringing home pork: if we strike down the marriage penalty, $81.2 million will return home to the 58,000 people in the Second District of Nebraska. That way, they can spend their money the way they want.

I keep hearing from the other side of the aisle that tax cuts cost money. Who does it cost? It certainly costs 175,000 couples in my state alone every year to pay the marriage penalty. But it doesn’t cost the Federal Government anything, because for something to cost you money, you actually have to have it first. What the Democrat substitute is really saying is, “Without the marriage penalty, tax and spenders in Washington will have less money to spend.”

If we do not continue to work to make provi- sions of President Bush’s tax cut permanent—like we did last week with the debt tax, like we’re doing now with the marriage penalty, like we’ll do next week with retirement benefit fits—the American taxpayers will experience the single greatest tax increase in U.S. history: more than $380 billion from 2011 to 2012. How can Democrats possibly justify that?

Mr. Speaker, this tax is unfair, unnecessary, and irresponsible. It defies American morals, it defies logic, and it flies in the face of family values. It is everything that is wrong with government. Vote against this substitute and make a pro-family, pro-mariage, and pro-com- munity stand for the underlying bill.

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

The SPEAKER pro tempore (Mr. LAHODI). Pursuant to House Resolution 1407, the previous question was ordered on the bill and on the amendment in the nature of a substitute offered by the gentleman from California (Mr. MATSUI).

The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. MATSUI).

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

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The Speaker at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 198, nays 213, answered "present" 1, not voting 22, as follows:

[Roll No. 228]

YEAS—198

Aderholt, Gons 10

Akin, Graham 102

Armey, Granger 8

Arneson, Graves 4

Baker, Gallegly 34

Ballenger, Gallegly 2

Bass, Gallegly 3

Bechler, Gohm 2

Bereuter, Goins 2

Bilirakis, Gordon 2

Binkley, Gorton 1

Blalock, Gorton 1

Bline, Gorton 1

Blunt, Gowan 1

Bosley, Guevara 1

Brown (MD), Guevara 1

Brown (FL), Guevara 1

Brower, Guevara 1

Browning, Guevara 1

Brady (TX), Guevara 1

Brown (SC), Guevara 1

Bunce, Guevara 1

Burr, Guevara 1

Buyer, Guevara 1

Calvert, Guevara 1

Calvey, Guevara 1

Camp, Guevara 1

Cantor, Guevara 1

Capito, Guevara 1

Castle, Guevara 1

Chabot, Guevara 1

Chablis, Guevara 1

Cable, Guevara 1

Collins, Guevara 1

Cooksey, Guevara 1

Cotter, Guevara 1

Crahan, Guevara 1

Cubin, Guevara 1

Cunningham, Guevara 1

Davids, Guevara 1

Deal, Guevara 1

DeLauro, Guevara 1

Delahunt, Guevara 1

DeGette, Guevara 1

DeFazio, Guevara 1

DeLauro, Guevara 1

Dicks, Guevara 1

Dingell, Guevara 1

Dorgan, Guevara 1

Drostad, Guevara 1

Farr, Guevara 1

Fattah, Guevara 1

Ford, Guevara 1

Frank, Guevara 1

Gephardt, Guevara 1

Gonzalez, Guevara 1

Gonzalez, Guevara 1

Green (TX), Guevara 1

Gutierrez, Guevara 1

Haller, Guevara 1

Harmar, Guevara 1

Aderholt, Gons 10

Akin, Graham 102

Armey, Granger 8

Arneson, Graves 4

Baker, Gallegly 34

Ballenger, Gallegly 2

Bass, Gallegly 3

Bechler, Goins 2

Bilirakis, Gordon 2

Binkley, Gorton 1

Blalock, Gorton 1

Bline, Gorton 1

Bosley, Gowan 1

Browning, Gowan 1

Brady (TX), Gowan 1

Brown (SC), Gowan 1

Bunce, Gowan 1

Burr, Gowan 1

Buyer, Gowan 1

Calvert, Gowan 1

Calvey, Gowan 1

Camp, Gowan 1

Cantor, Gowan 1

Capito, Gowan 1

Castle, Gowan 1

Chabot, Gowan 1

Chablis, Gowan 1

Cable, Gowan 1

Collins, Gowan 1

Cooksey, Gowan 1

Cotter, Gowan 1

Crahan, Gowan 1

Cubin, Gowan 1

Cunningham, Gowan 1

Davids, Gowan 1

Deal, Gowan 1

DeLauro, Gowan 1

Delahunt, Gowan 1

DeGette, Gowan 1

DeFazio, Gowan 1

DeLauro, Gowan 1

Dicks, Gowan 1

Dingell, Gowan 1

Dorgan, Gowan 1

Drostad, Gowan 1

Farr, Gowan 1

Fattah, Gowan 1

Ford, Gowan 1

Frank, Gowan 1

Gephardt, Gowan 1

Gonzalez, Gowan 1

Gonzalez, Gowan 1

Green (TX), Gowan 1

Gutierrez, Gowan 1

Haller, Gowan 1

Harmar, Gowan 1

ANSWERED "PRESENT"—1

Piller, Gons 1

NAYS—213

Goes, Peterson (PA) 1

Graham, Petri 1

Granger, PickERING 1

Graves, Pitts 1

Green, Platts 1

Greenwood, Pombo 1

Gutknecht, Pomroy 1

Hansen, Portman 1

Hart, Radanovich 1

Hastings (WA), Rogers 1

Hayes, Robs 1

Hayworth, Reynolds 1

Hefley, Riley 1

Hoenacht, Rogers (KY) 1

Horn, Rogers (MI) 1

Hooten, Rohrabacher 1

Hufsch, Rohm-Lehman 1

Hunter, Royce 1

Hyde, Ryan (WI) 1

Imak, Ryan (KS) 1

Isakson, Saxton 1

Jenkins, Schaffer 1

Johnson (CT), Schrock 1

Johnson (NY), Sessions 1

Jones (NC), Shadegg 1

Kanjie, Shays 1

Keller, Sherrill 1

Kelly, Sherrill 1

Kennedy (MN), Shuster 1

Kent (NY), Simmons 1

Kingsbury, Sismon 1

Kirk, Smith (IA) 1

Kolbe, Smith (NJ) 1

LaHood, Souder 1

Latham, Stupak 1

Leach, Sullivan 1

Levin, Sweeney 1

Linder, Tarcido 1

Lonid, Taylor (NC) 1

Loudermilk, Terry 1

McClintock, Thomas 1

McGurk, Thornberry 1

McKeon, Tiahrt 1

Mica, Tiberi 1

Michaud, Tiberi 1

Miller, Tiberi 1

Miller, Mary 1

Miller, Upton 1

Mollohan, Vitter 1

Morgan, Weeks 1

Morgan, Weldon 1

Mulvaney, Wensley 1

Murphy, Wexler 1

Nethercutt, Whittfield 1

Nguyen, Wicker 1

Ose, Wilson (DC) 1

Otter, Wolf 1

Oxley, Young (AK) 1

Paul, Young (FL) 1

Mrs. JO ANN DAVIS of Virginia changed her vote from “yea” to “nay.”

Mrs. WATERS changed her vote from “nay” to “yea.”

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. LAHOOD). The question is on 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.

PARLIAMENTARY INQUIRY

Mr. THOMAS. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) is recognized to make an inquiry of the House.

Mr. THOMAS. Mr. Speaker, under the rules of the House, does the majority have the right to offer a motion to reconsider?

The SPEAKER pro tempore. The Speaker pro tempore states that the Speaker pro tempore has no information as to the nature of the inquiry that the gentleman from California (Mr. THOMAS) desires to make.

The SPEAKER pro tempore. Yes, prior to the final passage of the bill.

The question is on the passage of the bill.

The question was taken; and the bill was passed, as ordered to be engrossed and read a third time.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The vote was taken by electronic devices.

The SPEAKER pro tempore (Mr. ROHRABACKER) announced the result of the vote.

The vote was recorded, yeas 271, noes 142.

The record of the vote is as follows:

**RECORDED VOTE**

Mr. MATSU: Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The record of the vote is as follows:

**Yeas—271**

Abercrombie
Aderholt
Altmire
Armey
Beauchamp
Baird
Ballenger
Barcenas
Barr
Barrett
Bartlett
Barton
Beye
Berkeley
Biggert
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Borup
Boschwitz
Boucher
Brady (TX)
Browne (SC)
Bryant
Burr
Callahan
Calvert
Capito
Capps
Carson (OK)
Chabot
Chambliss
Clement
Coble
Collins
Connolly
Cox
Cramer
Crane
Crenshaw
Cubin
Culhern
Cunningham

**Noes—142**

Ackerman
Allen
Andrews
Baldacci
Balch
Becerra
Benten
Berry
Blumenauer
Bosko
Brady (PA)
Brown (FL)
Brown (OH)
Capuano
Cardin
Cardin (IN)
Clay
Clyburn
Conyers
Cox
Crowley
Cummings
Davis (IL)
DeFazio
Delahunt
DeLauro
DeLauro
Dingell
Dochert
Dooley
Ehlers
Evans
Farr
Fattah
Fincher
Frank
Frank
Garamendi
Gonzalez
Gutierrez
Hastings (FL)
Hilbish
Hinchey
Hoefel

**NOT VOTING—21**

Biaggi
Bono
Burr
Clayton
Cummed
Deutsch
English

Sweeney
Tarczynski
Tauschin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Towes
Udal (CO)
Vitter
Walden
Walsm
Wamp
Watkins (OK)
Watts (OK)
Weldon (IL)
Weldon (PA)
Weller
Weld
Wehrfritz
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

The bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, due to a commitment to participate as a delegate at the Indiana Republican State Convention, I was unable to be in Washington, DC during rollcall votes 226-229. Had I been here I would have voted "yea" on rollcall votes 226 and 227, "no" on rollcall vote 228 and "yea" on rollcall vote 229.

PERSONAL EXPLANATION

Mr. DEUTSCH. Mr. Speaker, I was unavoidably absent from the chamber today during rollcall vote No. 226, No. 227, No. 228 and No. 229. Had I been present, I would have voted “yea” on rollcall vote No. 226, “yea” on rollcall vote No. 227, “yea” on rollcall vote No. 228 and “yea” on rollcall vote No. 229.

GENERAL LEAVE

Mr. THOMAS. 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 just passed.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California (Mr. THOMAS)?

There was no objection.

LEGISLATIVE PROGRAM

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, I yield to the distinguished gentleman from Texas for the purpose of inquiring about the schedule for next week.

Mr. ARMSTRONG. Mr. Speaker, I am pleased to announce that the House has completed its legislative business for the week.

The House will next meet for legislative business on Monday, June 17, at 12:30 p.m. for morning hour and 2 p.m. for legislative business. I will schedule a number of measures under suspension of the rules, a list of which will be distributed to Members’ offices tomorrow. Recorded rollcall votes on Monday will be posted until 6:30 p.m.

On Tuesday and the balance of the week, I have scheduled the following measures for consideration in the House:

H.R. 327, the Small Business Paperwork Relief Act;
H.R. 2114, the National Monument Fairness Act of 2002;
H.R. 3889, the National Sea Grant College Program Act Amendments of 2002;
H.R. 1979, the Airport Safety, Security and Air Service Improvement Act; and


Mr. Speaker, I advise Members that they should be ready to
name conferees for an omnibus trade bill, which I would expect to schedule next week as well; and the Speaker further advises me that, in consultation with the minority leader, he expects to bring a resolution to the floor related to the establishment of a select committee on homeland security.

I thank the gentlewoman for yielding.

Ms. PELOSI. I thank the distinguished majority leader. I have some further questions.

On what days will the following be scheduled: the appointment of the fast track conferees; trade promotion authority conferees?

Mr. ARMEY. I expect that would probably happen on Tuesday.

Ms. PELOSI. And then the Monument Fairness Act, Mr. Leader?

Mr. ARMEY. Wednesday.

Ms. PELOSI. And airport towers legislation?

Mr. ARMEY. That would be Wednesday as well.

Ms. PELOSI. And pension reform?

Mr. ARMEY. That would be Thursday.

Ms. PELOSI. Mr. Leader, are there definitely going to be votes next Friday?

Mr. ARMEY. I appreciate the gentlewoman's inquiry. As the week is going up, the kind of work we see coming available to us, I think we should have to expect to be here for votes on Friday of next week.

Ms. PELOSI. I appreciate that. I do have one other question. I unfortunately do not see on the schedule a date for the prescription drug legislation to be scheduled. I have been hearing over and over that it is coming up soon, it is coming up soon. As you know, Mr. Leader, the need is great. We have been hearing that the majority is going to schedule this legislation for months. We need a real Medicare benefit that protects our seniors from the huge cost of prescription drugs. Every day is important to them. I would like to ask the majority leader what the plan is for bringing a prescription drug benefit under Medicare to the floor.

Mr. ARMEY. Again I want to thank the gentlewoman for her inquiry.

The gentlewoman from California, Mr. Speaker, is exactly right. This is indeed very important to so many citizens in America, and we have two committees that are working on it and working with one another, the Committee on Ways and Means and the Committee on Energy and Commerce. I am told that the Committee on Energy and Commerce has already scheduled a markup for next week and have every reason to expect the bill to be on the floor before we retire to our districts for the July 4th work period.

Ms. PELOSI. Mr. Speaker, I appreciate the gentleman's information.

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, June 17, 2002, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

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

There was no objection.

HOUR OF MEETING ON TUESDAY, JUNE 18, 2002

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, June 17, 2002, it adjourn to meet at 10:30 a.m. on Tuesday, June 18, 2002, for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

HAPPY FATHER'S DAY

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that it be the unanimous will of this body that every father in America have a glorious Father's Day.

The SPEAKER pro tempore. The Chair thanks the majority leader.

EXPRESSIONS OF SUPPORT FOR U.S. WITHDRAWAL FROM ANTI-BALLISTIC MISSILE TREATY

(Mr. YOUNG of Alaska 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. YOUNG of Alaska. Mr. Speaker, today I rise to introduce a resolution that would express support for President George W. Bush's withdrawal of the United States from the 1972 Anti-ballistic Missile Treaty. Today marks the conclusion of the 6-month notification of the withdrawal from the ABM Treaty by the United States.

My legislation reaffirms that the United States' national security has fundamentally changed since 1972. Not only do the Russians and Chinese have ballistic missile arsenals that are capable of reaching the United States, but so do a growing number of countries that are hostile to the United States' interests, such as North Korea, Iran and Iraq.

This resolution simply says that the Congress supports the decision by the President to withdraw the United States from the ABM Treaty in accordance with article 15 of the treaty. It also states that Congress supports efforts to provide for the establishment of a robust layered missile defense system to protect the United States and its allies.

Very frankly, the United States faces new and complex threats. September 11, 2001, showed the new threats to our national security and the potential threats we face by more than 32 countries that are working on ballistic missile development. The new threats involve states with considerably fewer missiles with less accuracy, yield, reliability and range. However, emerging ballistic missile systems can potentially kill tens of thousands, or even millions, of Americans, depending on the warhead and intended target.

I believe we cannot allow these countries to use ballistic missiles as instruments of blackmail against the United States and its allies. The way we can and must defend our homeland is through the development of a layered missile defense system, a layered system that would violate the terms of the ABM Treaty.

Clearly, the day has come to withdraw from this dated and ineffective document that was created more than 30 years ago during a different time and under different conditions than those that face our national security today.

I would also like to submit the following sponsors: The gentleman from California (Mr. HUNTER), the gentleman from Florida (Mr. JEFF MILLER), the gentleman from Indiana (Mr. HOSTETTLER), the gentleman from Alabama (Mr. ADERHOLT), the gentleman from North Carolina (Mr. JORDAN), the gentleman from Pennsylvania (Mr. WELDON), the gentleman from North Carolina (Mr. HAYES), the gentleman from Illinois (Mr. HYDE), and the gentleman from Oklahoma (Mr. WATTS).

ANNOUNCEMENT BY COMMITTEE ON RULES REGARDING AMENDMENTS TO H.R. 2114, NATIONAL MONUMENT FAIRNESS ACT

Mr. DREIER. Mr. Speaker, today a Dear Colleague was sent to all Members informing them that the Committee on Rules is planning to meet the week of June 17 to grant a rule with a limit the amendment process on H.R. 2114, the National Monument Fairness Act. The bill was ordered reported by the Committee on Resources on March 20 and the committee report was filed on April 15.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Committee on Rules in room H-312 in
the Capitol no later than 12 noon this coming Tuesday, June 18. Amendments should be drafted to the text of H.R. 2114 as ordered reported by the Committee on Resources.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

CELEBRATING THE 227TH BIRTHDAY OF THE U.S. ARMY

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

Mr. WILSON of South Carolina. Mr. Speaker, tomorrow will mark the 227th birthday of the United States Army, the most powerful ground force the world has ever known. Since June 14, 1775, the Army has always been prepared for defense of freedom and democracy. Today, our brave soldiers are on the front lines defending the American people in the war on terrorism.

As we recognize and celebrate the Army’s birthday and reflect on what this great institution, a simple truth arises: one of the world’s greatest professions is the Profession of Arms, and one of the greatest callings is theirs, serving our Nation. Thanks to American soldiers and their families, our loved ones shine as beacons throughout the world.

Just yesterday, we were reminded of the dangers these men and women have volunteered to accept, as we learned of three American military who died in a plane crash. These are not only soldiers fighting on some distant soil, they are sons and daughters, sisters and brothers, mothers and fathers. The courage and dedication of those who serve so honorably in the United States Army, Active, Guard and Reserve, is an inspiration to us all.

SECURING OUR HOMELAND

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

Mr. DREIER. Mr. Speaker, as my colleague from South Carolina has just chosen to recognize the 227th anniversary of the United States Army, I think it is important for us to note that President Bush has come forward with a very important proposal.

We saw, as the gentleman from South Carolina (Mr. WILSON) mentioned, the tragic loss of life in this war on terrorism that has just taken place, and we continue to see this struggle move forward. Just yesterday the President made it very clear in his statement, we are in the midst of a war on terrorism, and that war has been brought to our homeland.

The President has, I believe, come forward with an extraordinarily bold proposal. That proposal is designed to ensure that the Federal Government, working in concert with State and local governments, is in a position to secure our homeland. For the first time, we have seen men and women in uniform now fighting international conflicts, not simply as men and women wearing military uniforms. We have seen firefighters and law enforcement officers on the front line in this struggle.

The President’s proposal for homeland security and establishing a new Department of Homeland Security are right on target and I hope very much that we are going to do the right thing, be careful about it, but do it just as expeditiously as possible.

COMMUNICATION FROM DISTRICT DIRECTOR OF HON. ROGER F. WICKER, MEMBER OF CONGRESS

The SPEAKER pro tempore (Mr. KELLER) laid before the House the following communication from Harold "Bubba" Lollar, District Director of the Honorable Roger F. WICKER, Member of Congress:

COMMUNICATION FROM CHIEF OF STAFF OF HON. GARY A. CONDIT, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the communication from Mike Lynch, Chief of Staff of the Honorable Gary A. Condit, Member of Congress:

SPECIAL ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BONIOR) is recognized for 5 minutes each.
June 13, 2002

I have no doubt that his actions qualify him for this award. After all, if saving someone’s life does not earn one the Medal of Honor, then what does? Sergeant McKiddy made the ultimate sacrifice to fight for his country and protect his fellow man. His distinguished service deserves the highest honor. I know Sergeant McKiddy’s family, and I know how much this honor would mean to them. After more than 30 years, they are as committed as ever to receiving the appropriate recognition of Gary’s service. I am committed to doing all that I can to ensure that Sergeant McKiddy receives the Medal of Honor.

As a Vietnam-era veteran and the son of a World War II veteran, I know in my heart the honor in answering a nation’s call to serve and the value of this service.

I have heard from Gary’s relatives, his close friends, and the man he saved, Specialist Skaggs. They too know in their hearts the ultimate gift that Gary and our other lost soldiers gave to us. I believe the Army should reverse its decision and award Sergeant Gary McKiddy the Medal of Honor that he deserves, and I pledge to Gary’s family and friends that I will continue to fight alongside them to see that Gary receives this honor. The Congressman from Dayton, Ohio (Mr. Hall), has been very active in this effort for many, many years, and we pledge together to work to make this happen.

May we all keep in our prayers those men and women who are serving our Nation overseas today. Like Gary, they show us through their courage and strength what it means to be an American.

HUNTINGTON’S DISEASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. Wilson) is recognized for 5 minutes.

Mr. WILSON of South Carolina. Mr. Speaker, I rise today to draw attention to Huntington’s Disease which affects approximately 30,000 people in the United States. Each child of a parent with Huntington’s Disease has a 50 percent risk of inheriting the illness, meaning that there are 200,000 individuals who are at risk today. Huntington’s Disease results from a genetically programmed degeneration of nerve cells in certain parts of the brain.

While medication is available to help control the symptoms of Huntington’s Disease, sadly, there is no treatment to stop or reverse the course of the disease.

According to the Huntington’s Disease Society of America, this disease is named for Dr. George Huntington who first described this hereditary disorder in 1872. Huntington’s Disease is now recognized as one of the more common genetic disorders in America. Huntington’s Disease affects as many people as hemophilia, cystic fibrosis and muscular dystrophy.

Early symptoms of Huntington’s Disease may affect cognitive ability or mobility and include depression, mood swings, forgetfulness, clumsiness, involuntary twitching, and lack of coordination. As the disease progresses, concentration and short-term memory diminish and involuntary movements of the head, trunk and limbs increase. Walking, speaking, and swallowing abilities deteriorate. Eventually the person is unable to care for himself or herself, and death follows from complications such as choking, infection, or heart failure.

Huntington’s Disease typically begins in mid-life between the ages of 30 and 45, though onset may occur as early as the age of 2. Children who develop the juvenile form of the disease rarely live to adulthood. Huntington’s Disease affects men and women equally and crosses all ethnic and racial boundaries. Everyone who carries the gene will develop the disease. In 1993, the Huntington’s Disease gene was isolated and a direct genetic test developed which can accurately determine whether a person carries the Huntington’s Disease gene.

I would like to commend Dr. Ruth Abramson of Columbia, South Carolina for her leadership and dedication for conducting ongoing research to find a cure for Huntington’s Disease at both the University of South Carolina School of Medicine and the South Carolina Department of Mental Health. I also want to commend my chief of staff, Eric Dell, and his courageous mother, Ouida Dell, for their efforts in fighting Huntington’s Disease within their family.

I encourage the American people to be aware of their own family histories, to be aware of the issues in genetic testing and to advocate for families with Huntington’s Disease in their communities. I also call on my colleagues in the House to join in this effort to find a cure for those suffering from this disease.

To that extent, I would like to read this concurrent resolution about Huntington’s Disease which I have introduced in the House of Representatives.

“Concurrent resolution. Whereas about 30,000 people in the United States suffer from Huntington’s Disease; whereas each child of a parent with Huntington’s Disease has a 50 percent risk of inheriting the illness; around 200,000 individuals are at risk; whereas Huntington’s Disease results from a genetically programmed degeneration of nerve cells in certain parts of the brain; whereas this degeneration causes uncontrolled movements, loss of intellectual function, emotional disturbances; whereas pre symptomatic testing is available for those with a family history of Huntington’s Disease; and medication is available to help control the symptoms, yet there is no treatment to stop or reverse the course of the disease; whereas Congress as an institution and Members of Congress as individuals are in unique positions to help raise public awareness about the need for increased funding for research, detection, and treatment of Huntington’s Disease and to support the fight against this disease:

“Now, therefore, be it resolved by the House of Representatives (the Senate concurring), that it is the sense of the Congress that subsection 1, all Americans should take an active role in the fight against Huntington’s Disease by any means available to them, including being aware of their own family history, being aware of the issues in genetic testing, and advocating for families with Huntington’s Disease in their communities and their States;

“Section 2, the role played by national community organizations and health care providers in promoting awareness should be recognized and applauded;

“And section 3, the Federal Government has a responsibility to, A, end the delay to raise awareness about the detection and treatment of Huntington’s Disease; and B, increase funding for research so that a cure might be found.”

Mr. Speaker, as May marked Huntington’s Disease Awareness Month, we must do everything possible to ensure we search out hope for thousands of Americans by finding a cure for this disease.

The SPEAKER pro tempore (Mr. Keller). Under a previous order of the House, the gentleman from California (Mr. Filner) is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, as May marked Huntington’s Disease Awareness Month, we must do everything possible to ensure we search out hope for thousands of Americans by finding a cure for this disease.

The SPEAKER pro tempore (Mr. Keller). Under a previous order of the House, the gentleman from New Jersey (Mr. Pallone) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, as May marked Huntington’s Disease Awareness Month, we must do everything possible to ensure we search out hope for thousands of Americans by finding a cure for this disease.

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Ms. CARSON of Indiana. Mr. Speaker, I rise today to draw attention to Huntington’s Disease which affects approximately 30,000 people in the United States. Each child of a parent with Huntington’s Disease has a 50 percent risk of inheriting the illness, meaning that there are 200,000 individuals who are at risk today. Huntington’s Disease results from a genetically programmed degeneration of nerve cells in certain parts of the brain.

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GEPHARDT SPEECH TO WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS AND THE COUNCIL ON FOREIGN RELATIONS DESERVES CAREFUL STUDY BY HOUSE MEMBERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. GEPHARDT), the House of Representatives Democratic leader, made the following statement:

Leader GEPHARDT outlined proposals for dealing with the urgent issues of our Nation and a new kind of warfare, and urged the administration to do more to ensure our military stronger, our homeland safer, and our citizens' security.

1. THE PROPOSAL'S IMPORTANCE

Today, we are gathering almost nine months after the end of the Cold War, Mr. Speaker, and the issues we face today are profoundly different from the confrontations we undertook in the 20th century.

2. TACTICAL DISCIPLINE

The most effective military strategy is one embedded in and involving our citizens and our economy, one that serves as a counterbalance to the worst elements of globalization and the latest scientific revolution.

3. STUDY BY HOUSE MEMBERS

It is a tough, complicated foe, one that should not be oversimplified or underestimated. The world in which we live is very different from the Cold War era, when a bipartisan agreement to prosecute the war on terrorism was likely. Today, we are gathering almost nine months after the end of the Cold War, Mr. Speaker, and the issues we face today are profoundly different from the confrontations we undertook in the 20th century.

4. EFFICIENT DECISION-MAKING

The administration's policy of compartmentalization has failed. The administration is a vision of long-term American security and prosperity and, more importantly, our military stronger, our homeland safer, and our citizens' security.

5. MODERNIZATION OF THE MILITARY

We know our military must go through a transformation—and we need our legislative branch to be working on this transformation along with the executive and uniformed services.

6. MODERNIZATION OF THE MILITARY

The primary goal of our military strategy for the 21st century should be "to promote the universal values of freedom, fairness and opportunity, which has never been more in America's self-interest. We should seek to lead a community of nations in stabilizing, promoting and democratic.

7. MODERNIZATION OF THE MILITARY

A world such as America's foreign policy in the 21st century should be "to promote the universal values of freedom, fairness and opportunity, which has never been more in America's self-interest. We should seek to lead a community of nations in stabilizing, promoting and democratic.

8. MODERNIZATION OF THE MILITARY

The three qualities of this foreign policy, as Leader GEPHARDT points out, should be economic development, democracy, and universal education. These qualities are not only intimately interconnected and self-reinforcing, but they are also essential to the achievement of long-term American security and prosperity and, more importantly, they are pragmatic, achievable, and cost-effective.

9. MODERNIZATION OF THE MILITARY

Mr. Speaker, I wish to point out an additional observation that Leader GEPHARDT made in his speech. He could not have been more correct when he said that "America must lead" and that "leadership is not a synonym for unilateralism." The recent U.S. foreign policy moves towards international agreements, multilateral institutions, and transnational issues such as the environment pose a threat to our ability to prosecute the war on terrorism effectively by putting at risk the assistance and cooperation of other nations, including some of our closest allies. America must remain engaged and America must lead.

10. MODERNIZATION OF THE MILITARY

The recent U.S. foreign policy moves towards international agreements, multilateral institutions, and transnational issues such as the environment pose a threat to our ability to prosecute the war on terrorism effectively by putting at risk the assistance and cooperation of other nations, including some of our closest allies. America must remain engaged and America must lead.

11. MODERNIZATION OF THE MILITARY

The global challenges of the future are many and complex, but they are pragmatic, achievable, and cost-effective. The three qualities of this foreign policy, as Leader GEPHARDT points out, should be economic development, democracy, and universal education. These qualities are not only intimately interconnected and self-reinforcing, but they are also essential to the achievement of long-term American security and prosperity and, more importantly, they are pragmatic, achievable, and cost-effective.

12. MODERNIZATION OF THE MILITARY

Mr. Speaker, I wish to point out an additional observation that Leader GEPHARDT made in his speech. He could not have been more correct when he said that "America must lead" and that "leadership is not a synonym for unilateralism." The recent U.S. foreign policy moves towards international agreements, multilateral institutions, and transnational issues such as the environment pose a threat to our ability to prosecute the war on terrorism effectively by putting at risk the assistance and cooperation of other nations, including some of our closest allies. America must remain engaged and America must lead.

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making. We achieve nothing if a good idea for our Department of Defense becomes a Republican or Democratic idea and gets bogged down in politics.

Good leadership is too crucial to our nation to let them founder on partisanship. We need to change the way we think—not just update our weapons systems—and we need to look for good ideas and powerful solutions.

Second, I hope that the suggestions I make today form the basis for further discussions. A comprehensive plan will come from the contributions of many. While I have a broad view of the direction I hope we will take, the complete picture can only be sketched out here.

I believe we can strengthen our military through bipartisan efforts in three key areas: supporting the people who make up our Armed Forces; improving our technology and weaponry; and modernizing our systems for logistics and supply.

First, we must work together to make sure we have a sufficient number of troops, and that they receive better compensation, and get the superb training they need.

Under President Reagan, the Armed Forces reached about 2.2 million. Much has changed since that time: we currently have 1.4 million soldiers, sailors, airmen and marines who are severely strained as they bravely meet an ever-growing number of missions. General Ralston, our commander of NATO and U.S. troops in Europe, recently told Congress that he does not have the resources to accomplish what we are asking of him.

Rep. IKE SKELTON has been a strong leader on this issue in the House Armed Services Committee, and I will work with him to add troops in 2003.

I recently read a disturbing article in the New York Times that described the situation in the form of a young Sergeant, Eric Vega, who is with the 459th Airlift Wing at Andrews Air Force Base. Since he was activated on Sept. 22nd, Sergeant Vega has been on leave from his job with the Virginia State Troopers.

Because of his service this year, he has lost about $35,000 in overtime pay, is working 14 to 18 hour days, and can’t see very much of his 11 month old twins.

I was heartened to read that he still planned to re-enlist. But it is wrong that we are asking people to give so much more time like him through that. It is enough of a sacrifice to risk your life for your country; you should not have to also sacrifice your financial future.

Sens. McCaIN and BAYH, Reps. FORD and O’NEILL have introduced bills to let young Americans sign an “18-18-18 plan,” which is one smart option for bringing more people into the service. Under this plan, which builds on work already begun in the Armed Services Committees, a person could serve 18 months over the course of 18 months in the reserves and receive an $18,000 bonus, which can be used for educational purposes at the end of his or her service.

We need to keep investigating more innovative ways to help people serve.

We also need to work together to reform our training system.

When I was in the Air National Guard, back in my younger days, I enjoyed the fierce rivalry my Air Force buddies felt towards the Army. But we had little contact with the Army. You trained and worked with those from your own branch. When a mission was called for, you were supposed to be ready. When it was an Army job, then it was their turn.

Wars, of course, don’t work like that anymore. And in recent years, our service branches have worked together to develop joint operational capabilities. But we can do better.

I suggest we create and expand military academies that would train field officers from all the services in new forms of strategies and tactics. Such schools could teach joint operations, working cooperatively, and in creating integrated tactical units.

If President Bush is interested, I think this is one area where we could easily work together. And I would hope he would be willing to go much further and support programs to recruit and retain even more of the best students to prepare our military for the tasks ahead.

The second challenge in military modernization is the acquisition of smart weapons and systems that will provide better knowledge of the battlefield.

Under the President’s current budget proposal, we will be spending $170 billion a year on defense by 2007, making it seem that we will be able to buy every weapon imaginable. But even at that huge amount, we need to spend wisely.

One of the best things we can do is transform our military by linking new technologies with existing ones.

I have been heartened, for example, to hear about the use of the GPS guidance kits that can be attached to so-called “dumb bombs” dropped by pilot-less aircraft or B-52’s.

This relatively simple innovation makes bombs more accurate and is less expensive than designing whole new weapons systems.

And where we can design entirely new weapons that revolutionize our capabilities on the battlefield, we must move ahead at full pace. One of the great successes in Afghanistan has been our ability to integrate data, an area where we must continue to invest.

Pilot-less surveillance aircraft, like the Air Force’s Predator, helped us get real time data on the enemy’s movements, saving pilots and allowing commanders to respond immediately.

The acquisition of these planes may seem costly—the 2003 budget calls for $150 million dollars more—but pilot-less planes will cost much less than an F-22. The quicker we can move to a world in which more of them can move worldwide, the better off we will be.

The third area where we could obtain improved performance, and make our budgets more efficient, is our logistics and supply system. Experts generally refer to the amount of resources devoted to support functions as opposed to war fighting capability as the ‘tail to tooth’ ratio—and while the ratio was once 50/50 it is now 70% tail and only 30% tooth.

The financial planning process at the Pentagon has been changed in recent years. One of the key things was implemented almost 40 years ago by Robert McNamara. And a 1997 DOD report found the tasks ahead.

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The financial planning process at the Pentagon has been changed in recent years. One of the key things was implemented almost 40 years ago by Robert McNamara. And a 1997 DOD report found that of the US military’s $64 billion in inventory of supplies, over $20 billion was obsolete.

We need to update our logistics and supply systems.

In World War II, Churchill said, “Let us learn our lessons. Never, never, never believe any war will be smooth or easy.” We would be foolish to forget those lessons together, we can make our military more effective, and make the world safer for all people.

21st CENTURY FOREIGN POLICY

But meeting the terrorist threat means rethinking more than simply defending against asymmetric and irregular wars. We also need to reexamine the way in which we conduct our foreign policy. Our enemies are no longer just hostile governments, but foreign policymakers who seek support from the most impoverished citizens of the developing world.

On the diplomatic front, a policy of commitment helps us promote war and promote stability. This is especially true in the area of foreign assistance.

A central goal of our foreign aid during the Cold War was to preserve alliances and prevent Soviet influence. Whether a recipient government was authoritarian or democratic was of secondary concern, and promoting economic development was not always a goal. On the one hand, the Marshall Plan rebuilt Western Europe and ultimately locked in democracy from Germany to Greece. On the other hand, American aid to Zaire did little to improve living standards in that country. But it did make President Mobutu one of the richest men in the world.

Today, promoting the universal values of freedom, fairness and opportunity has never been more in America’s self-interest. We seek to lead a multipolar world where nations that are law-abiding, prosperous, and democratic. Such a world would leave fewer places for terrorists to hide, and more places for citizens across the globe to pursue life, liberty and happiness.

Afghanistan offers an excellent example of the strategic rationale for such a shift. America was generous to that country during much of the Cold War, and American military aid following the Soviet invasion was successful in its limited goal. In terms of our calculation, we had won and the rationale for American aid to Afghanistan disappeared.

But into the vacuum left by the Soviet departure and the reduction in the Soviet interest, came an era of lawlessness and then the repressive theocracy of the Taliban. While...
some may have argued before September 11th that what happened in nations like Afghanistan didn’t matter to Americans, we now know that tragically, it does. Today, nations that previously shunned anyone or anything in the world have real consequences for the United States. Some people have suggested that we stop using the term “foreign aid.” I disagree. We should remake and rename it. Traditional foreign aid may have worked as a Cold War construct, but our goal now should be what I call American partnerships. We should work closely with countries that want to improve bilateral relations and benefit their people, and insist that these relationships are transparent and based on shared values. If we can help create a world with more economic growth, better health care, stronger education, and more human rights, particularly in developing countries, we should be fulfilling an essential part of our foreign policy. Let me outline three qualities that should comprise this strategy.

Economic development, democracy, and universal education.

First, economic development. People’s access to jobs and the hope for a better life face a bleak and desperate future. In the last several decades, as the rest of the world opened up—as trade and freedom of movement have become more of a fact of life for most—many parts of the Middle East and Central Asia have remained closed. Regional barriers have discouraged trade, and the skyrocketing cost of oil has; many economies have grown dependent on a single commodity—oil. We know that when nations open themselves up economically, they will ultimately enjoy greater prosperity and moderation. Trade is an important part of lifting up poor nations.

In a speech I gave in January to the Democratic Leadership Council, I said that it is time we crafted a “new consensus” on trade. Everybody knows that trade should be an engine of growth for all nations, and that we can move beyond simple left vs. right debates to craft agreements that both promote trade and protect the environment and labor. I suggested then that the US-Jordan trade agreement was a model that serves American economic interests. Today, I also want to point out that trade overwhelmingly serves national security and strategic interests as well.

There are promising signs that we can build a new consensus. We are currently negotiating trade agreements with Chile and Singapore, two nations that are ready to use Jordan as a model. If we are to open the Middle East and other regions to the hope of peace and prosperity, we will need more agreements like the one we reached with Jordan that meet these goals.

But trade alone for many countries will not be enough. We need a generation of development that promotes free markets and democratic governments and are leveraged to spur growth.

Luckily, we have an opportunity for progress with the Millennium Fund that the President recently proposed in Monterrey. Mexico, I support its goal of fighting poverty and hunger, encouraging universal education, and strengthening women’s rights and health, reducing child mortality and promoting sustainable development. But we need to make sure this fund is not a shell game, diverting resources from other worthy development efforts, and I hope the President will work with Congress to provide increases for effective programs in the 2003 budget.

Some of these new partnerships should also come in the form of micro-loans: support to individuals or small businesses who need access to capital and opportunity.

In almost two-dozen Moroccan cities, small indigenous NGOs supported by the President have found that hundreds of thousands of dollars have gone to individuals seeking to establish and expand businesses of their own. Such programs have generated tens of thousands of jobs and helped to establish a foundation for future macroeconomic growth.

Other support must help to defeat the scourge of HIV/AIDS. To achieve economic growth, we must work together to improve prevention, treatment and care for people with this disease. I have been to Africa and seen the panic on that continent, from Zimbabwe’s villages to South Africa’s maternity wards. It is a humanitarian crisis. It is a development crisis. And it is a test of our ability and destiny to stabilize nations in Africa and elsewhere where it makes a national security crisis, too.

Updating our foreign policy also requires renewing our commitment to democracy.

In my career, I’ve been fortunate to spend a good deal of time abroad meeting with foreign leaders and their citizens. You can’t learn much about them if you only read the briefing book, and I’ve learned a great deal from these travels. But nothing prepared me for the suspicions towards America I found on my recent trip to the Middle East.

Many students I met in relatively moderate nations such as Morocco asked questions about American plots against their countries. And the international press and questioners often cited regular news broadcasts—media that in too many countries are filled with calls for hatred and violence. Just weeks after my trip, a broadcast called the enslavement of Israeli women. We know in America that the antidote to these fears is democracy. The censorship of legitimate criticism by some governments too often leads to popular anger and a search for scapegoats. We need to help moderate voices be heard in these countries because they will offer a better way for the future.

And we can help. Radio Free Europe, Radio Liberty and Radio Free Asia should be marketed as models for the delivery of compelling, objective broadcasting across the globe. In a world within terrorism, our security is enhanced when accurate information about our policies and values is widespread.

We need to nurture civil society in these regions, work with governments and nascent legislatures, and encourage free expression and a strong press for and by people. The National Endowment for Democracy and its affiliates, NDI and IRI, deserve more support to expand the good work they’re already doing in this area.

We also must fight corruption and take measures to advance the rule of law. Of particular importance at this moment, we must warn our friends and allies that the favoritism and corruption of officials will only be possible when the Palestinian Authority begins to adopt the rule of law and accountability as guiding principles.

The third value that I think is stressed too little in our current foreign policy is education.

The Pakistani government spends 90% of its budget on debt service and the military, and practically nothing on education. Government in other developing nations have similarly neglected the demands of a rapidly growing population. In some Middle Eastern nations, almost half the people are under the age of 15, and the total population will double in the next two decades. The majority of children in the Arab and Muslim world do not have access to a public education. Worldwide, more than 130 million children are not in school and do not receive a regular meal each day.

Beyond the intrinsic merits of education, we know that in countries where education is universal, economies expand and population growth is held in check.

We should work with developing nations to help them create universal education systems. I am happy that the Farm Bill includes the bipartisan George McGovern-Bob Dole initiative to provide school meals to schoolchildren, and we should build on that success and expand it further. I agree. We must work together to improve prevention, treatment and care for people with this disease. I have been to Africa and seen the panic on that continent, from Zimbabwe’s villages to South Africa’s maternity wards. It is a humanitarian crisis. It is a development crisis. And it is a test of our ability and destiny to stabilize nations in Africa and elsewhere where it makes a national security crisis, too.

We must also encourage and help nations develop objective curricula that will advance their education. We need to nurture civil society in these regions, work with governments and nascent legislatures, and encourage free expression and a strong press for and by people. The National Endowment for Democracy and its affiliates, NDI and IRI, deserve more support to expand the good work they’re already doing in this area.

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consider a new generation of international partnerships, regional security alliances, more flexible financial institutions, and treaties to help manage increasing economic and military competition.

Over the past year, despite the unifying force of the war on terrorism, an undercurrent of unilateralism has strained our relations in Europe, Asia, and in the Middle East. Instead, we need to redouble our efforts to strengthen NATO and reinvigorate bilateral pacts with South Korea and Japan. In this light, the Bush Administration should take advantage of the recently invoked Rio Pact to harmonize security arrangements and pursue democratic, economic objectives. And we must leverage all of these ties to forge wider regional alliances.

I commend the Bush Administration for its work to restore stronger partnerships between NATO and Russia. This new arrangement should ultimately break down lingering suspicions and allow us to maximize strengths to confront shared threats.

At the same time, we must intensify our bilateral work with Russia on a range of issues, especially the need to destroy weapons of mass destruction and keep terrorists out of the hands of terrorists and rogue nations. Former Sen. Sam Nunn has identified this threat as the new nuclear arms race, and I join him in urging the President to do everything possible on our own and with our allies—to diffuse this stand off, because the terrorists who have fueled it will be the sole beneficiaries of an all-out war. This is the new world in which we live. Disputes once considered remote can have deadly consequences if met with American apathy.

We must also continue to encourage China’s participation in bilateral and regional endeavors, provided that it agrees to the price of admission—adherence to international norms, including human rights, trade practices and nonproliferation rules. As former Defense Secretary Bill Perry proved a few years ago in helping to develop a vision for North Korea, the United States and China can make great progress if we recognize the common, long-term interests that our people share.

We should also look to new regional structures for projecting strength and stability, especially in places where our government is not willing to commit U.S. forces. A case in point is Africa, which some have claimed is not a national security priority for the United States. I disagree, and I was disappointed when the Bush administration cut funding for the Africa Crisis Response Initiative. This program was designed to build indigenous capability within Africa that could respond when needed, and help regional leaders like Nigeria calm trouble spots so the United States would not have to.

We must be prepared to build alliances in regions that flare up unexpectedly. Afghanistan is the best example of this today. The Administration deserves credit for the military victory there. However, it will be short-sighted and withholding support for expanding the international security presence beyond Kabul, as Interim President Karzai has urgently requested. Instead, we must work with our NATO partners to ensure the example of the coalition’s unending commitment to democracy and development.

CHALLENGE TO AMERICANS

The last challenge I'd like to discuss today is to instill all these initiatives with a new energy of civic involvement at home and abroad.

In a new, more interconnected world, individuals or small groups can pose a serious threat to America’s heartland. Nineteen hijackers did what Germany and Japan failed to achieve in the Cold War. This is a new front in which our firefights and police, our EMS, the INS, the Customs Agency, the Coast Guard and all other organizations responsible for protecting the United States.

This is a completely new threat to our home front, and I am deeply concerned that the appropriate response is absent from our civil defense efforts.

After Pearl Harbor, we moved with speed to mobilize our nation in defense of democracy. Almost nine months after Sept. 11th, America has still not crafted a strategy to significantly strengthen our nation’s security, despite a series of recent warnings from our government.

We need to reorganize our homeland defense agencies in order to maximize the safety of all Americans. Not only does the Homeland Security director need to be a cabinet officer—he needs budgetary authority.

He needs operational authority. And he must provide a comprehensive plan to the Congress on our national strategy for homeland security. Such a plan should involve all Americans in our civil defense effort.

As the Intelligence Community begins their hearings today, we all know that our ability to coordinate information gathered at home and abroad needs to be improved. A task force led by former National Security Adviser Brent Scowcroft has developed proposals to better integrate the work of our intelligence agencies. Given the urgency of collecting vital information, I hope the Administration will act upon these ideas.

Finally, we must harness the spirit that defined people’s response to the Sept. 11th attacks. American citizens who have enjoyed the rich benefits of democracy and free markets possess a unique capacity to energize these values as never before, to participate in decision and clear thinking.

Let’s be clear: Americans face a special challenge in this conflict: to educate ourselves as never before, to participate in decisions that affect us and to make connections with people across the globe. We must encourage ourselves to be a united country. We must encourage ourselves to celebrate our diversity.

At the same time, we must intensify our efforts to coordinate information gathered at home and abroad. We must coordinate all the elements of our government. And that means that our National Security Director need to be a cabinet officer. The Homeland Security Director needs operational authority. And he must have the budgetary authority to carry out his mission.

The Administration needs to commit itself to mobilize our nation in defense of democracy. As the House introduction to the Extensions of Remarks.)

SUPER NAFTA MEANS SUPER TORNADO FOR U.S.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOYER) is recognized for 5 minutes.

(Mr. HOYER 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 Texas (Mr. GREEN) is recognized for 5 minutes.

(Mr. GREEN of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)
Ms. KAPTUR. Mr. Speaker, this week the House was scheduled to take up a measure relating to fast track trade authority but, for some reason, it got pulled from the schedule and we were not told why. We know President Bush has called fast track one of his top legislative priorities from the beginning, but it will lead to more lost jobs and even higher trade deficits for our country. So it is a bit of a mystery why we did not take up this important measure.

Mr. Speaker wants fast track to pave the way for the so-called Free Trade Agreement of the Americas, a kind of super NAFTA. This super NAFTA would extend NAFTA provisions to all of the countries in our hemisphere except Cuba. But why would we want a super NAFTA, considering the damage that NAFTA has caused in the past 8 years? NAFTA has been like a tornado, ripping up jobs and tearing apart communities from the textile areas of the Carolinas to the agricultural valleys in California and Florida, to the automobile industry in the Great Lakes region.

Now, according to the Los Angeles Times, the latest of our exports are high-wage jobs. Before NAFTA, we had a trade surplus with Mexico. We were sending them more than they sent us. In 1993, in fact, before NAFTA, America held a surplus of over $5 billion with Mexico. Yes, that was a surplus. Where are we today post-NAFTA? Well, we had a trade deficit, a record deficit of over $30 billion with Mexico in one year: that is billion, translated into over 600,000 more lost jobs in our country.

Do we think the balance of accounts was any better with Canada? Wrong. Our trade deficit with Canada for the year 2001 was over $50 billion. That translates into 1 million less jobs in our country.

Who can call this kind of policy a success? Most estimates indicate that more than 3 million jobs, direct and related, have been lost post-NAFTA. Analysis shows State-by-State job loss figures range from a low of 6,838 in North Dakota to a high of over 361,000 in California. Other hard-hit States include my own Ohio, but add Texas, New York, California, Michigan, Pennsylvania, North Carolina, Illinois, Tennessee, Florida, Indiana, Georgia, New Jersey, each with a loss of over 100,000 good jobs. Those may sound like numbers, but they mean people. People are not just numbers, they are family members, neighbors, friends, colleagues on the other side of the aisle, but each one of those numbers is a family fighting to put food on the table, to pay for college and medical costs, and is a strong indicator as well of America’s waning manufacturing and agricultural productivity. That is the future of the wave, I assure you do not want any part of it.

Under the Free Trade Agreement of the Americas, the “Super NAFTA,” instead of just covering Mexico and Canada, now we are going to add 31 more countries into the mix, like Argentina, Brazil, Colombia, and Venezuela. In the first 3 months of this year alone, we already had a trade deficit with those countries of $6 billion. So why would anyone want to exacerbate a situation which is already working against the interests of our people?

This appears to be what the administration is calling the “more lost jobs, more trade deficits.” When will this job hemorrhage end? When we have no manufacturing base to speak of? When our markets are flooded with agricultural products from every place else in the world?

Mr. Speaker, many of our working families are suffering. In fact, millions of them are. America is becoming a bazaar to the world’s goods and, at the same time, we are hollowing out our own productive strength here at home. It is no surprise to us here to tell the American people that 75 cents of every farm dollar today is Federal subsidy.

Farmers are farming the government, not the market. Our agricultural policies are only working to hold the farm credit system together so we do not have a depression in rural America, and in manufacturing America we have had a depression. I do not know why it is not on the front pages of every newspaper in the country. We have lost over 2 million jobs, more in the last 2 years. Talk to anybody in the integrated steel industry. Talk to anybody in the machinery tool industry. Talk to the electronics industry.

It seems to me we ought to have trade policies that work for America, again. We should not be trading away our good jobs, and fast track is not a responsible plan for a secure economic future. Why should we have a fast track for more lost jobs and higher trade deficits?

Some people ought to pay attention, and we ought to reject any fast track proposal that is brought to this floor.

PRESCRIPTION DRUGS

The SPEAKER pro tempore (Mr. KELLER). Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

Mr. CUMMINGS. This afternoon, Mr. Speaker, I just wanted to address this whole issue of prescription drugs. It is an issue that is on the forefront of the minds of just about every senior in my district.

Over the past year, I have visited at least 25 senior centers, and the stories that we are told over and over again would bring tears to almost anyone’s eyes. Just the other day, we had a young lady, 70 years young, who in a meeting of seniors said to me, Mr. CUMMINGS, I worked all my life. I worked very hard. Now that I am older, I find myself unable to afford my medications. I go from drugstore to drugstore trying to collect samples, because I cannot afford the cost of prescription drugs. I wish that the Congress would be in tune with me and give me back my dignity.

Then there was the gentleman at the Jewish senior citizen home in my district who stood up and said, You know, I cannot afford my prescription drugs anymore. What I am doing is cutting them in half and taking half of the prescription. I am 77 years old, and I am getting older and sicker every day. I want you to do something about it. Then he said something that is embedded in the DNA of every part of my memory bank. He said, Mr. CUMMINGS, if the Congress does not do something fairly soon, I will be dead.

We have other people in our districts throughout the country who are purchasing half of a prescription because they simply cannot afford the entire prescription. So I was very pleased today to hear and participate as the Democrats proposed a prescription drug plan. I know the Republicans have done the same thing.

The issue now is that this Congress, Mr. Speaker, must act. There are many people who are depending upon us to come up with a reasonable plan so that they can live. While we are about the business of protecting our country against outside forces, we have to make sure that we do not deteriorate from the inside. There are still many who have given their blood, sweat, and tears to lift up this great country; and they are in their senior years. It is a time when they should be resting and relaxing and feeling comfortable about their lives, but they are coming to a point where they are not only losing their dignity, but slowly but surely losing their lives.

So I am hoping, Mr. Speaker, that we will take the words of those seniors who are not only in the Seventh Congressional District of Maryland, but those seniors who are throughout our entire country waiting and praying that we will take action.

Last but not least, I have often said, Mr. Speaker, that we have one life to live and that this is not a dress rehearsal. This so happens to be that life. I think it should be our goal to bring the very best life to our very, very valued citizens, the very best life that we can.

After all, this is one of the greatest countries in this world, and we should treat our seniors in a way that reflects the greatness of our country.

SOCIAL SECURITY

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 3, 2001, the gentleman from Florida (Mr. FOLEY) is recognized for 60 minutes as the designee of the majority leader.

Mr. FOLEY. Mr. Speaker, let me first indicate Florida’s pride in the gentleman’s being in the chair today. We are delighted to see the gentleman from Florida (Mr. KELLER) as Chair of the House and Speaker pro tempore.

I also want to have a conversation today in calm and measured tones about an issue that is vitally, vitally important, to every American.
That topic is Social Security. Typically, when we mention Social Security, people 65 and older are all ears and stay tuned to the debate. What we hope to do today is spend some time on this very valuable program, this important program, this safety net, if you will, that is as important to those who are here and those who have retired to that wonderful age.

We also like to put to rest some of the demagoguery relative to this issue. We find so often that people, particularly Republicans, generations, have sought to use Social Security as a political issue to try and divide people and suggest that they had better vote for their side if they want to see Social Security preserved.

Let me start with a personal anecdote, if you will. My grandmother came from Poland. She came to the United States of America. Her husband died, and she raised her mother and her sister on her own. She was a maid in the Travolta and she cleaned 28 rooms a day. It was a job she was proud of, and a job she did well.

But in her later years, the one thing was certain, she depended desperately on Medicare. She died with a tumor on her own. She was a maid in the Travolta and she cleaned 28 rooms a day. It was a job she was proud of, and a job she did well.

It is a job she was proud of, and a job she did well.

Now, I am joined, fortunately, today, by the chairman of the Subcommittee on Social Security who happens to be self-sufficient, and Social Security provided that self-sufficiency. So it is in her memory that I stand today as a proud Member of the Republican Party talking about ways to correct and strengthen and improve Social Security.

Now, we use tag lines on the other side of the aisle like “privatize” and “take away” and “diminish” and “raid” and “abscend”; and it is amazing, rather than constructive rhetoric, like, let us see if we can work together to fix a problem, they simply say, let us be in charge, and we will make certain Social Security is fully protected.

Well, we have had that experiment. In fact, since 1935, when Social Security was created, they ran this place for 40 years, and it ran this place into looming and growing deficits. So if we look at the facts of the matter, we will see that our stewardship of Social Security has actually been more on the point of making certain that it not only is fundamentally and financially secure, but that it also has a long-term potential for future generations.

We have to think more than just the current voting age population of 65 and above. We have to think of those born today in this country. We have to think of those who are just entering the workforce at 17, whether they are in Orlando or Palm Beach or Fort Lauderdale. The three Members here on Florida Day right now are Floridians. I am from the district with the largest population of seniors in all 435 districts in America. Seniors matter to me. Social Security matters to me. My legacy that I hope that I can leave in this process to my grandmother’s memory matters.

I do not want to try and convince people to vote for our party by scaring people. I would like them to have a chance to look at the record and say, this group of individuals, hopefully including Democrats, came to this great city in this great Nation and endeavored to fix a growing problem.

Now, Mr. Speaker, I yield to the gentleman from Fort Lauderdale, Florida (Mr. SHAW), chairman of the Subcommittee on Social Security.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding to me. I would like to congratulate him for reserving this time so that we do need is some time for some quiet reflection so that we can examine the problem, look at it in a very rational way, no yelling and screaming, no talking about scare tactics about privatizing, which is ridiculous, no talking about cutting benefits and all of these things. But it is time that this Congress and the American people really reflect upon exactly what the problem is and why we are trying to do something about it.

I am going to refer to four charts during the few moments that I will be here. I think they certainly graphically show what the problem is.

Social Security is one of the greatest anti-poverty programs that we have ever had in this country. It is not a welfare program; it is a program in which we pay in all of our working years, and then if we become disabled or retire, it is there for us. It is exactly the right thing to do.

Now, it has been a pay-as-you-go system ever since it has been put in place. In 1945, there were 42 workers for every retiree. As we can see from this graph, it is a great system as a pay-as-you-go system. There was no need to forward fund on Social Security. The system was working beautifully.

Now we are at 2002. We find that there are only three workers for every retiree. We still have a pay-as-you-go system and as we have to many of the speeches on the floor of this House and reading in the news media, we see that we still have a surplus in Social Security, so it is still working as a pay-as-you-go system.

Then we also find that by 2035 there will only be two workers per retiree. Now, every working American or most working Americans pay in 1/2 months of wages per year to take care of the Social Security program. That is a lot of money, particularly to our low- and middle-income people; and probably for many of our low-wage workers, it is the biggest tax and maybe in some instances the only tax they pay; but 1/2 months of working for this retirement system is a lot. It is up to this Congress to look ahead and see what we can do for today’s workers to be sure that the system is going to be there for them.

There is no reason to take anything away from the older workers, people in retirement. There is no reason to invade the trust fund. There is no reason to sidetrack any of those taxes. Those taxes are there and that program is there for those. They have paid into it their whole working life, and I do not know any Member of Congress that would take anything away from them.

But let us see where we are going to go. What is going to happen. The way, all of the figures that I am using here this afternoon are from the Social Security Administration. This is the same under both the Bush, as well as the Clinton, administration, so there are no partisan figures that are being used here. These are factual figures which no Member of Congress or no person in the government or elsewhere can refute.

What happens if we do nothing? If we do nothing, we find that in 2041 there could be as much as a 27 percent reduction in benefits. Now, those of us who know or have talked to or worked with people that are at the lower-income level, we know this would be devastating. It is really unthinkable. But then when we look ahead to 2076, we see a 33 percent reduction in benefits if Congress does nothing.

But Congress can, as we know, and as Congress sometimes does, they could raise the taxes. And if they were to raise the taxes, we see right now where 12.4 percent of the wages go into the Social Security fund on Social Security. The benefits the way they are, Congress would have to raise the taxes in 2041 to an amount equal to almost 17 percent of the workers’ wages, and in 2076 you are getting over 18, almost 19 percent increase in the taxes. Now, this is something that is totally unacceptable. We cannot go to American workers and say we are going to give you this
tremendous increase in your taxes. We will literally be taking food out of the mouths of the children. We will be taking rent money. This is unacceptable. Likewise, this is an unacceptable, the cut in benefits, but we do not have to do nothing, and this is the only plan that I have heard from Members, many of the Members on the other side of the aisle when they say we do not have to do anything, we are looking at a $25 trillion deficit in the Social Security trust fund.

We see here that we are going to have surpluses up to about 2017, and then beginning in 2017, we are going into a shortfall and we are going to have a $25 trillion deficit. This would be shattering to the economy of the United States. The biggest economy in the world cannot sustain that.

This is not only a problem in the United States, it is all over the industrialized world. People are living longer and having fewer kids and this is the problem that we have. So we have got a workforce as it applies to the amount of seniors, the workforce is decreasing, the numbers of seniors is increasing, and the system is dead in the water. And the Congress needs to do something.

Mr. SHAW. Mr. Speaker, I am glad the gentleman would go back to the chart, I think it is very telling about the tax increases, but I think it is more telling about the time required for a person to work in a given 12-month period in order to pay those taxes. Can the gentleman illuminate that for us?

Mr. FOLEY. Mr. Speaker, if the gentleman would also explain the Social Security trust fund because that is a misnomer. There has been a lot of debate today, in fact, about raiding the fund, borrowing the fund, stealing from the fund, which we know is false, patent rhetoric. But if the gentleman would explain the fundamentals of the trust fund for us.

Mr. SHAW. Mr. Speaker, I am glad the gentleman suggested that.

The way the Social Security trust fund works, the way Social Security works, your FICA and payroll taxes are paid into the Social Security Administration. The money is paid out of the trust funds in order to pay the benefits, the survey benefits, disability benefits, pension benefits. The benefits that come out of Social Security are paid out of the Social Security Administration. The money is paid into the trust funds in order to pay the benefits, the survey benefits, disability benefits, pension benefits. The benefits that come out of Social Security are paid out of the Social Security Administration. The money is paid into the trust funds in order to pay the benefits, the survey benefits, disability benefits, pension benefits. The benefits that come out of Social Security are paid out of the Social Security Administration.

Mr. Greenspan testified before the Committee on Ways and Means and said these are really not economic assets. And you can compare them to writing yourself an IOU and declaring that as an asset. It is not an asset. It is simply an IOU by the government to the government.

So we will continue to have surpluses, according to the Social Security Administration, until the year 2017. But beginning in 2017, the Congress is going to have to find the money to pay the benefits, whether it increases taxes, whether it cuts benefits, or whether it just simply goes into the red and produces this type of shortfall for the next 60 years. This is what we are facing and this is what future Congresses are facing.

Now there is a number of plans that are out there that do address this dilemma that we find ourselves in, and there are some very good plans. The plan that I have developed adds something to Social Security without touching the trust fund, without touching any of the FICA taxes that are in the Social Security trust fund. And I believe that this is the best way to go. And I have demonstrated through the Social Security Administration that if we were to enact this Social Security Plus Plan that we would not only be able to avoid all of those little ink, we would keep benefits every bit, if not better, than they are today; we could add it to a retirement bonus which would be paid out of these added funds that are being put into the Social Security Administration. It assumes that every dime that goes into this would have to be borrowed and paid back, and not only would they be paid back over the between now and 2075, but it would create a surplus of $1 trillion.

But this is what we need to leave to our kids; and this is what we need to be able to try to do.

Now, you have heard a lot on this floor, they are saying the Bush Administration or the Republicans have a secret plan to privatize Social Security. How are you going to privatize something that is looking down the barrel of a $25 trillion deficit? The private sector would not take this unfunded liability over, so that is absolutely ridiculous.

The Social Security Administration needs to stay in place exactly as it is today. The American seniors, when they were young workers, they paid into this system their whole working life, and it is not up to this Congress or any Congress to dismantle the Social Security trust fund. It needs to be kept in place exactly as it is today. But we need to add to it, add to it as an addition, as an addition. And my particular plan, which we have looked at and which I know you have carefully examined, it would take money actually out of the Treasury. No more taxes. But it would take it out of the Treasury under monies that could be borrowed as a bridge and put into individual retirement accounts, not all in one stock as you would hear. As soon as you start talking about individual accounts, everyone starts yelling Enron.

Well, if you had one Enron in your portfolio, that would be a danger but this would not allow that. They would be widespread like index funds. And it would only be 60 percent in corporate stocks and it would be 40 percent in corporate bonds.

Now, what the Social Security Administration, they did a look back over the last 75 years which encompasses a depression, a Great Depression, and they said these individual retirement accounts would grow at a rate that would create over 75 years, which would create a $1 trillion surplus.

Now, we do not have to adopt this plan. There are other plans out there. But it is time that the Congress quit...
talking about doing nothing. They say the sky is falling and then they think that is some kind of a joke. This is no joke. This is 2017 which is right around the corner. And we need to start planning for it, whether we use the plan that is put forth or whether they have come forward with another plan. I would be delighted to hear their plan. But this is the only plan that they have put forward among their leadership.

Now, I will quickly say that there are a few Members on the other side of the aisle that have developed plans. One of the Members has developed a plan, one of the Democrat Members has joined with a Republican Member in developing a plan which I think you may hear about yet within the next few minutes, and I congratulate him for doing that. But Social Security, and I am thinking of what the gentleman from Florida (Mr. FOLEY) was talking about with his grandmother, and in there cleaning all of those rooms every day and paying into a Social Security fund that kept her out of poverty.

I am reminded of a statement that was made here on the floor that life was to be enjoyed, not endured. And that is what I feel has been our work when all of us know that today's seniors are going to be just fine. Nobody is even thinking about cutting the benefits. But I am also saying we do not have to cut the benefits of tomorrow's seniors either. Plans must be put in place today. If you start building on top of the existing plan, not substituting, not taking anything away from it.

Mr. FOLEY. Mr. Speaker, if the gentleman would tell us about his vested interest in this program. How many grandchildren and children does the gentleman have?

Mr. SHAW. Mr. Speaker, I am doing my part to increase the number of workers per retiree with 4 children and 13 grandchildren. But these are the kids I am worried about because I know, particularly when these grandchildren retire, they are going to be in deep trouble. They will be up to their eyebrows in this red ink. And we can avoid it, and we must avoid it, and we must work together and quit all of this junk about raiding the trust fund. I have just explained there is no money in the trust fund. How can you raid the trust fund? The trust fund has nothing but interest. But beginning in 2017, there is no surplus. You cannot send the seniors Treasury bills. You have got to send them cash. So the Social Security Administration is going to have to be looking towards the Treasury of the United States to get the money because there will not be enough FICA taxes coming in beginning in 2017 in order to pay the benefits.

We must not get in a situation where we are thinking about reducing the benefits. That would be grossly unfair. People paying into this system, relying on it, and then just before they come into retirement, the Congress decides to decrease the benefits. The next generation of workers, they get in under the workforce, Congress talks about raising their taxes. That is not fair, particularly when you do not have to do it. But the problem is getting the politics out of this.

I will tell you when this next election gets behind us because I have a feeling that the Democrats will no longer say this is what they support, because this makes absolutely no sense. And I am sure that one of the problems out of this is that we will be able to work with the minority party and reform the Social Security system.

To do otherwise, I will tell you tomorrow's generation will turn our pictures to the wall and that is where they should be put if we do not step forward and do something for future generations.

This is not only important for today's seniors, it is not only important for those who are working their way into retirement, but it is our kids and our grandkids, too. This is tremendously important. It would be absolutely sinful and pitiful for this Congress to do less than to save Social Security for this generation and the next generation.

Mr. Speaker, I thank the gentleman and, again, I compliment him for talking this time. I think that the more we can get this word out, the more the American people will demand that their Congress, that their representatives, the people who work for them, come here to Washington and not play politics with this great retirement system, but to fix it and be sure that it is going to be at least as good for the next generation as it is for this generation. We can do it, but we need to do it on a bipartisan basis.

We need to do it by everybody down on the playing field and not having half the team or the opponents up in the bleachers throwing rocks at us that are down there on the field that are trying to do something. That is grossly unfair. So when people start talking about people wanting to privatize Social Security, we should laugh at them. There is no one in this House that has ever talked about privatizing Social Security; and when they start talking about raiding the trust fund, we should laugh then because we know that there is no money in the trust fund. There is only nonnegotiable Treasury bills.

Now is the time to really move forward, lay the groundwork, so that we can, within the next Congress, come together in a bipartisan way and solve this problem. That is what the American people sent us here for, and I compliment my colleague again, and I know that he and I both have a tremendous number of wonderful seniors in our shared districts. I know that is what they want us to do.

Mr. FOLEY. Mr. Speaker, let me compliment the chairman of the Subcommittee on Social Security, and let me also emphasize that the gentleman from Florida (Mr. SHAUL) took his plan, the plan that I have cosponsored, down to the editorial boards of our newspapers in Florida, and let me share with you the Sun Sentinel, as well part of a large chain of newspapers throughout the country, also opined that they felt it was not only a very good plan but an excellent starting point to begin the bipartisan debate on this valuable program.

This is not just two Members of Congress talking to ourselves, wanting to hear our own voices. We have actually taken these ideas, as the gentleman from Arizona (Mr. KOLBE) is going to share with us soon his, he has been working with the gentleman from Texas (Mr. STEINHOLM), a noted Democrat, who has been very persuasive in this constructive, bipartisan debate; but this is not just our voices in an echo chamber. People have actually reviewed the fine points of this document and suggested it was a great opportunity not only for Social Security for today's recipients but for generations to come.

I want to thank the gentleman for spending time. Now it is indeed my pleasure and privilege to introduce the gentleman from Arizona (Mr. KOLBE), another State that shares a large population of seniors, but also who has a tremendous amount of young, innovative working families trying to earn a living and go to college and working to better the country, the great State of Arizona; and the gentleman has been long endeavoring on Social Security, not just timely this week or this month, but my colleague has been working on it for a significant length of time, another true patriot in the effort to preserve and protect Social Security. I yield to the gentleman.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding to me, and I really want to commend both my colleagues from Florida, and I think any Member from Florida for their efforts today to talk to the American people about an issue that I think is so vitally important. In fact, I do not think there is anything long run, long term that is more important for us to be talking about than how we are going to preserve and protect and save Social Security, which I think is undeniably the most important, the most successful anti-poverty program we have ever had for senior citizens in this country.

The gentleman from Florida, the chairman of the subcommittee, has pointed out very well exactly the problems that we face; and we see them on these charts that are here. Several of
us in this body have recognized this problem for several years now and have been working to try to make sure that we can find solutions to the problem.

Since 1995 when I formed the Public Pension Reform Caucus here in Congress, I have been working closely with Members of Congress that understand these problems and with the people of the United States that I believe go a long way toward understanding the very real and imminent way with the problems that Social Security faces.

So I think it is clear that there are Members of Congress that understand the fiscal and demographic pressures that are facing Social Security and that want to engage in a constructive dialogue on reform.

Again, some of the charts that we have had proposals that show very clearly what is happening, show us clearly the problem that we have, the fiscal shortfall that we are going to have with Social Security. Unfortunately, there are some Members who want to use Social Security for their own partisan political advantage in an election year.

Scaring seniors about Social Security might do wonders in the polls for some Members, but I do not think the politics of fear should be acceptable to the American people. And frankly, I do not think it is acceptable. I think instinctively the American people do sense, do understand that Social Security is in trouble today. If we ask young people, and by overwhelming majorities, younger people know that Social Security, as it is currently constituted, cannot be there for them when they get ready to retire; and so simply doing nothing is really not an option.

There are legitimate differences of opinion on how best to tackle the looming financial deficit in Social Security. There are a number of different ways that we might fix Social Security, and I think we need to honestly debate all of the different approaches that are out there. We heard one of them described by the gentleman from Florida, Mr. Shad. There is the Kolbe-Stenholm plan. But one thing for certain is not an option and that is complete inaction.

Let me just review again a little bit of the plan that the gentleman from Florida (Mr. SHAW) laid out for us here today. And that is, the financial problems that the Social Security trust fund faces in the coming years.

The trust fund, my colleagues correctly pointed out, it is a trust fund in name only. It has in it only the IOUs of the government, that is, the IOUs for the trust fund, nonnegotiable government instruments. That trust fund faces an enormous unfunded liability under current law. It is not because of anybody robbing the trust fund. It is not because of anybody taking the money and doing anything with it. It is the very simple fact that the demographics of people living longer, growing older, a larger older population and a smaller working population, people starting their families later, having fewer children, the demographics of those who work and pay Social Security to support those who receive the Social Security benefits simply do not work in the long run.

The result is that we have promised to pay, in this shows, $25 trillion in benefits than we have promised to collect right now in payroll taxes. I will repeat that number. We are looking at a $25 trillion, trillion, not million, not millions, trillion, shortfall in the Social Security trust fund in the gap between what we are going to collect in taxes and what we have promised to pay out in benefits over the next generation or two.

It is just 15 years from now that Social Security will for the first time begin to run cash deficits, and as the gentleman from Florida (Mr. SHAW) pointed out, since seniors expect not a piece of paper but a check that is negotiable, we have to convert these IOUs into cash. That means the government is going to have to borrow money or we raise taxes. We raise taxes or we borrow money in order to pay those benefits.

That is when the deficit, in just 15 short years, becomes a very serious problem. Now, 15 years is not that far from now; 15 years before was not that long ago. Fifteen years ago we were just at the end of Ronald Reagan’s administration. I was here in the House of Representatives. Fifteen years from now, most of the people that are listening to this or here on the floor will still be either retired or the young people that we see here on the floor will be in the middle of the early part of their working years. They will be paying these taxes and wondering what has happened to the Social Security system, why am I paying these taxes when it is clear there is not going to be anything there to pay the tax for me.

By the year 2030, the annual deficit in Social Security in one single program alone will reach $630 billion; and in that one single program, we will be running an annual deficit in Social Security of $630 billion. That means that the government is going to have to borrow $630 billion in new money to collect just $630 billion in payroll taxes. It is collecting just to pay the benefits that it has promised to pay for retirees at that point.

Between years 2017 and 2041, the Federal Government will need to raise almost $4 trillion in new money to redeem the Treasury bills held in the Social Security trust fund. Just to give my colleagues an idea of the magnitude of what this means, how could we make up that deficit, how could we make up that shortfall? Well, we could do so by reducing government programs. If we cut out all the spending, all the spending that the Federal Government does on Head Start, the WIC program which supports women and infant children; all the money we spend in education programs at the Federal level; all the money we spend in the Interior Department to support our public lands and parks, national parks and national forests here in Washington, D.C.; all the money we spend for veterans programs, including health care for veterans; and all the money that we spend in commerce, to support NOAA and trade promotion, everything else that the Commerce Department does; all the money we spend for environmental protection, EPA; and all the money we spend on space in NASA, if we cut out all of that, all of that, we still would not be making up that shortfall that we would experience each year by the time we get to the year 2040 of the deficit that we will be experiencing in Social Security.

So the options are pretty bleak unless something now, unless we begin to face up to the realities of this problem now. The government is going to be forced to increase taxes on American workers or businesses, or they are going to have to make deep cutbacks in other programs to free up funds to meet our Social Security obligation; or of course, there is the option which none of us believe is an option at all, and that would be to cut Social Security benefits for the people when we have already promised to them.

So the choices we can make are some tough ones. We can either make the tough choices today to deal honestly with the challenges that the Social Security system poses to us, or we can begin to face up to the realities of this problem now. The government is going to have to make deep cutbacks in other programs to free up funds to meet our Social Security obligation; or of course, there is the option which none of us believe is an option at all, and that would be to cut Social Security benefits for the people when we have already promised to them.

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This debate, as we have just heard from the previous speaker, is often characterized as an either/or choice between two ideological poles. Either we have the status quo or we have privatization. Defenders of the status quo argue that any reform that includes a market-based component is going to undermine the current safety net features and expose workers to dangerous risks; and the other side, the advocates of full privatization, suggest that creation of a privately managed personal account is painfully going to solve the challenges, but forget that Social Security provides more than just retirement income. It provides for disability insurance and the needs of other special populations.

So if we take those two extremes of do absolutely nothing and just privatize the whole system, I think we are looking at two extremes that really do not solve the problem at all. They may make for good, albeit myopic, rhetoric. They may help at election time, but they do not acknowledge the virtues that we have of something that is in the middle.

The real solution to Social Security has to be to fuse the best of the traditional program with some market-
based options, because it is possible, it is possible, Mr. Speaker, to establish personal accounts for younger Americans, not for people who are already retired, not for people like me who are nearing retirement, but for younger people who have time to build up in those personal accounts, who will have time to see those accounts grow.

It is possible to establish those personal accounts, personal accounts of which they have individual ownership, of which they have control of the retirement income, of which they have flexibility to decide how to invest that and to change it as they get closer to retirement. That can strengthen and improve the vital safety net protections that the Social Security system has to provide.

So none of the reform plans that I know about are anything that approaches privatization. It is simply the wrong word. It is used as a scare word, and for that, just remember that it is being used as a scare word. Privatization is the wrong description. It is the wrong word; but we ought to frankly stop bickering about the label of privatization.

We are suggesting that workers be given a degree of flex. That is what we are really talking about, flexibility with how they invest a small portion of their Social Security payroll taxes, giving workers some flexibility to make some choices about their investments. We are not talking about dismantling Social Security. We are talking about investment flexibility. We are talking about ownership. We are talking about individuals having some control over their retirement options.

The directors of the Congressional Budget Office, the General Accounting Office, Federal Reserve Chairman Alan Greenspan and many other policy experts have all testified in front of various committees of Congress and the President that we must make some tough choices to return Social Security to solid financial footing.

So, what needs to happen if we are going to have this debate, which is so important to the survival of this program, we need to acknowledge that there is no magic bullet.

There is no free lunch, no free lunch solution that is going to allow us to provide 100 percent of promised benefits without somehow reducing some future benefits. But I do say that personal accounts can help make the task a lot easier for policymakers, and it can limit the impact that the deficit that we are talking about and the problems we see will have on future beneficiaries. It would give workers some flexibility by giving them an investment that they are going to have some return in their Social Security retirement that right now they cannot look forward to seeing as we look down the road to the year 2070, to 2050, when people today just starting out in the workforce will be retiring.

Including individual accounts, personal accounts in the reform plan does not require deeper benefit reductions than would otherwise be required. Let me repeat that. Does not require deeper benefit reductions than would otherwise be required. But neither does it mean that no changes, no reductions for future beneficiaries is going to be unnecessary. From Texas (Mr. STENHOLM) and I have never claimed that the reform plan that we have put on the table is perfect. Members can go through the plan that I have introduced with the gentleman from Texas (Mr. PORTMAN) and select items that they want to criticize. We went too far here, not far enough there. However, we need to examine plans in their entirety. How would the plans affect the future retirement income, the Federal budget, and the health of the American economy?

If Members determine that the acceptability of reform based on adherence to simplistic pledges, a pledge of no personal accounts or a pledge of no benefit reductions of benefit levels, because we have no increase in taxes, then we are never going to reach bipartisan consensus on how we fix Social Security and how we pass legislation that will actually accomplish that.

Keeping Social Security intact for those who depend on it today, and for those young people who are just starting out in life today and have some expectation that they should have something from this system, it is a commitment that none of us should ignore. And we need to find a way to bridge the gap between these generations. But the fact is the Social Security system that we have today is vastly underfunded, and it will impose staggering financial burdens on younger workers and future generations of workers if we leave it completely unchanged.

Mr. Speaker, it is time to move past the demagoguery which has overwhelmed the Social Security debate in the past and provide a secure retirement for all Americans. I believe the discussion we are having today that the gentleman from Florida (Mr. FOLEY) has initiated is a good discussion. I believe it is important that we begin this discussion today, and I commend the gentleman for having this Special Order and giving us an opportunity to talk about Social Security, the importance of Social Security, that we attach to Social Security for people who are retired today, and the importance of Social Security for young people who will depend on this system in the future. Both the current retirees and those who are working but will retire in the future, need to know that the system holds promise for them.

I hope that this debate, this discussion today, will begin the process that we need to have in this country of having a national debate on how we fix it; but let us leave no doubt about one thing, that means we require fixing. Doing nothing is not the option.

Mr. FOLEY. Mr. Speaker, I thank the gentleman from Arizona (Mr. KOLBE), and of course the gentleman from Florida (Mr. SHAW) who spoke earlier, on what is a vital, important and outstanding program for seniors. The gentleman has worked a long time on this proposal. I personally commend the gentleman. We do not call the plans before us by the wrong word, but we call them complementary for a reason. We are looking for solutions to real problems, and I salute the gentleman for taking time for this discussion today.

Mr. Speaker, we have been joined by the gentleman from Ohio (Mr. PORTMAN) who has worked tirelessly on pension accounts, which are of interest to all Americans who have actually had a chance to build up their own portfolios through IRAs and 401(k)s. The gentleman has been an important architect in not only emboldening those plans to give more financial security, but actually doing something even more meaningful for some of the younger generations who may not have been able to afford to afford to contribute $2,000 per year to their IRA by giving a catch-up provision that kicks in in later years so they are able to actually add to their Social Security account through their IRA plan so their retirement plan is more insured and more secure.

Mr. Speaker, I yield to the gentlelman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for that introduction, and for having this Special Order tonight. Nothing is more important to the future of this country than addressing the retirement security needs of all Americans.

We have spent a lot of time in this Congress over the past 2 or 3 years working on ways to increase two of the three legs of the retirement security stool. Those two legs are the employer-based system, which is expanding 401(k)s and expanding defined benefit plans; and we have done a lot in that regard. Next week on this floor we will be taking up legislation to ensure that those changes are permanent.

We have also helped with regard to the second leg of that stool, which is private savings. We have expanded from $2,000 to $5,000 the amount that someone can put aside in an individual retirement account. We have been sure through this process to also focus on the third leg of the retirement security stool that is the standing program for seniors. The gentleman from Florida (Mr. FOLEY) has spoken earlier, they are talking about very critical third leg. People around this country depend on Social Security. Two-thirds of the seniors in my district depend exclusively on it, and that roughly $900 a month is critical to their being able to live their
life with a little dignity after years and years of hard work.

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, it is the security of seniors we are here protecting. We are here protecting that valuable program. We are not changing their benefits; is that correct?

Mr. PORTMAN. Mr. Speaker, the gentleman is correct. What we are doing through these other two means, one, increasing what can be saved for retirement through a 401(k) or defined benefit plan; and, second, improving what you can save individually through your personal savings. We are helping everyone to have a more secure retirement. We are going to continue to work on that.

With regard to the third leg, Social Security, we are suggesting that the program needs to be strengthened and improved. Here are the alternatives. We can raise payroll taxes dramatically and already payroll taxes are the most regressive tax out there, already too high. Most people around America pay more in payroll taxes than they do in Federal income taxes. Or, we can reduce benefits. We do not think that benefits ought to be reduced or payroll taxes increased to a substantial level that they would have to be in order to sustain the program. Instead, we think we ought to look at more creative ways to be absolutely sure that every senior has retirement security.

The President’s principles that he has laid out are ones that most of us on the Republican side support, that any plan that changes Social Security be voluntary, that it not affect any senior who is retired or near retirement in any way at all. Any benefits they get now, they would get; but that we come up with creative ways to ensure that this program is there in the future.

I just saw a couple of charts as I was walking up that make this point very, very clearly. First, what is the problem. The problem is the way Social Security was set up. It was a pay-as-you-go system. When FDR started this program in 1945, we had 42 working Americans paying for the benefits of every one retiree. Most people did not live until age 65. Now the good news is that people are living longer, more productive lives. Also, we have this baby boom generation that is beginning to retire. Today there are only three workers for every retiree. By the year 2035, which is not too long from now, there will only be two people working. This is the demographic problem that Social Security faces.

Again, the other two options that the other side of the aisle wants to rely on is to reduce benefits, which would be, for seniors in my district and around the country, would be a terrible result. We would have to reduce benefits by 27 percent by the year 2041, and this is based on actuarial outcomes. The trustees of Social Security, a nonpartisan group. This is not somebody who has an ax to grind. These are the actuaries who do the analysis and look at it from an objective basis.

By 2076, a 33 percent reduction in benefits. Is that a good result? No. You could increase payroll taxes. Again, payroll taxes are already too high. We would have to have a substantial increase in taxes. By the year 2041, 16.9 percent increase, a 37 percent increase over today. There would have to be a 16.9 percent payroll tax, which is a 37 percent increase in payroll taxes by the year 2041.

By the year 2076, there would be a 52 percent increase in payroll taxes. Again, to me these are not solutions that we want to have to fall back on. Rather, we are going to continue to work on that. We are going to continue to address the program so we can be sure that our seniors have peace of mind in retirement that they so much deserve.

Here is the big picture on this chart. Right now we are here, and we have a short-term surplus in Social Security, but soon the lines will cross. The benefits going out will be greater than the amount of taxes coming in. Why? Again, because Americans are living longer. It is a problem that we need to deal with; and second, we have this large baby boom generation, my generation. Baby boomers ought to know that we are beginning to retire, and we are creating a huge problem for the generations to be able to fund this problem. That is why there is a $25 trillion shortfall over time.

This is what the President is talking about. It is the right thing to do to talk about. It is too late to do the wrong thing to do to make this political and partisan, to scare seniors. Do not scare my grandmother. She is 97, and has worked hard during her life. She deserves to know that check is continuing to come. She is one of those people who is living longer, and deserves to know that she is going to have security in her retirement.

The opportunity we have is to come together on a bipartisan basis and make a huge difference for the future of our country and our seniors. If we allow this to become a political football and just toss it back and forth across the aisle, or put our head in the sand and say there is no problem, we will be doing a great disservice to our future, to our seniors and to this great country. This is a challenge that this Congress must take on. It is one that I believe we can take on again. The leadship President Bush has been very important in this, and I commend him for making it one of the primary issues that he took up not only in the Presidential campaign, but since being elected has talked about increasingly. I hope that we can join hands and come together and create a better future for all Americans.

Mr. FOLEY. Mr. Speaker, as we conclude today, I thank the gentleman from Texas (Mr. ARMED) for providing this opportunity. We can discuss at great length this important, valuable and vital program for American seniors.

I talked about my grandmother when I opened, and I would like to talk about my parents, Ed and Fran Foley of Lake Worth, Florida. My father is 81, and I will just leave it at the fact that my mother is younger than my dad, and I want to make sure that they go home and eat over the weekend, and if I mention her age on the House floor, she may be a bit upset.

I suggest that they are both recipients of Social Security. We want to understand their struggle, and what they have put, and what they have given to our country, and how they have spent their lives so that we can ensure that Social Security recipients. We are not reducing them. We are not replacing them. We are not privatizing them. We are ensuring them. We are ensuring that seniors across America can count on that check, whether it is direct-deposited or comes to a mailbox near their home. We are ensuring that every senior who has worked hard building this economy, that the generation that served us in World War II, are given the confidence by this Republican leadership that we stand behind the pledge and promise that Social Security would be there in their golden years.

That is a gold-plated guarantee by this body.

We are not investing their funds in the stock market. To the contrary, we are ensuring their success and survival.

I reject the claims of the minority and suggest we are working productively to ensure the continuation of this valuable program.

For those who are disabled or survivors, children of people who have passed, who count on Social Security, our commitment is stronger than ever, and it is a bond we make with those who are frail in our community that need Social Security. So if you are disabled or a survivor, you can count on the continuation of this valuable program.

We are also telling current workers that we are not going to tax them further in order to ensure a political success formula for us. We are going to make certain it works without burdening hard-working young men and women who are earning their way and supporting their families.

Today has been about speaking about a greater point of view of protecting a generation who served us in a plethora of ways, many who led us out of the Depression and through World War II, through Korea, some through Desert Storm, who because of disability are now on Social Security. This is a generation that has brought this Nation to the greatest place and the greatest time on Earth. This is a generation that we should celebrate and support and applaud. Let us not demean the debate with the silly rhetoric of scare tactics.

Again, I mentioned I come from Florida, and each political season I get ready for the attacks that run against myself or Mr. SHAW suggesting somehow we are going to take away this
valuable program. Fortunately, the voters are smart enough to reject those election lies. They are election lies. I do not like to use the word "lie" on the floor, but I cannot characterize it any other way because there is no factual basis to them. They try to scare seniors. The last candidate for President tried to scare seniors in my State of Colorado, tried to win the election by scaring vulnerable seniors. To have a conversation about Social Security should not be about fright or frightening people. It should be about uplifting them in this great hall of debate.

I choose the high road in this debate as does the majority leader and the Speaker and the majority whip and every member of our conference. We have heard from several today who enunciated our plans for continuing and securing America's future. Over the next several weeks we will continue to engage in debate and respond to the charges by the other side of the aisle by trying to sit and take it anymore. I made that comment last week and I make it again. Bring your charges to this floor and we are ready. We will answer your rhetoric with fact; and we will provide the information so that seniors, as they sit in the living rooms, know the truth.

The truth is Social Security is a vitally important program, and we are here prepared to do our duties to ensure the continuation of this great program.

I want to thank you, Mr. Speaker, today for indulging and for all those who participated and again my thanks to the majority leader, the gentleman from Texas (Mr. ARNHEIM), who recognizes, as he concludes his career in the Congress as we adjourn this session, the value of this program, the value of seniors, and our commitment to continue on leading this Nation in a financially prudent and positive manner.

COLORADO FIRES

Mr. TANCREDO. Mr. Speaker, as we hear tonight on the floor of the House, fires are raging in my State of Colorado, fires so devastating, fires so great in proportion. Historically, they are great in proportion, and they are so big that they can be seen, as we are told now, from the Space Shuttle. The smoke and ash from the fires in Colorado can be seen by the people on the Space Shuttle.

These are in every sense of the word cataclysmic fires. The one burning closest to my home, the Hayman fire, is over 100,000 acres, I understand, and will probably be burning all summer long. Hard for people to understand that they are burning all summer long. Historically, they are great in proportion. These have been managed, that is to say, properly over the last 100 years, that they occur in areas that are not prone to the greatest injury. They are not the fires of the past 100 years of fire suppression efforts, the result of fire suppression efforts, has accumulated to the extent that we have now this tinderbox called the national forest.

The reality has been man's ineptness, man's inability to manage the forest properly over the last 100 years, that has helped cause this situation, our fire suppression efforts, that has been the main thing everybody has been focused on for 100 years.

This is seen from the Space Shuttle. This is the fire in Colorado. You can see the smoke plume and the fire down here. The fact is that there are fires all over the United States, of course. There are fires burning down there. There are fires in several other locations. But this is the one that is incredible. Here is the Glenwood Springs fire. This is the one I was referring to as the Hayman fire. This is my home right here. Down by Durango we have another fire, near Trinidad, Glenwood Springs, and over here by the Utah border, just inside the Utah border. These are the fires in Colorado at the present time.

Mr. Speaker, the fact that for 100 years we have attempted to follow a policy to suppress all fires has created a devastating situation, a very, very dangerous situation in our forests. Suppression has meant that we have allowed old timber to fall, to fall to the ground, to decay and to dry out, and that becomes part, of course, of the fuel. We have allowed a tremendous amount of small saplings to grow, and that has become part of the fuel, because they stay relatively small. The forest canopy does not allow them to grow quickly. It becomes part of the undergrowth.

When it gets like this, when it gets as dry as it is now, that is what we could certainly call a tinderbox, and it takes very little to set it off. Of course, lightning will do it. Time and time again, that is the natural way of fires to start in the forests.

However, when a forest has been thinned by our efforts, by the efforts of
burned every single thing in its path in there was treated area and where there here, a couple of pictures of where nonetheless, to explain what we have through the forest if, in fact, it comes will not burn as hot, it will not burn goals. Fire will not burn as quickly, it also know that to the extent that we stop all fires. That is really what has itself, and also to filter out the Denver reservoirs that form the water supply for the Denver metropolitan area.

So once this fire is put out, whether it is from now or not, whether it is all summer long, whenever it is put out, that is only the beginning of the problem. Erosion then begins to occur, and the next time it does rain or snow all of this will move, all of the material will move, the ground cover will be done and end up as silt in these reservoirs.

It will cost millions of dollars. We have already spent. I think, approaching $40 million for this fire. It was $20 million the last I looked; it is probably double that now because it has been twice as long since I heard that figure; $40 million for the fire, but that will be dwarfed by the amount of money that we have to spend in order to try to repair, to the extent we can, the ground itself, and also to filter out the Denver water supply.

Now, there are ways in which man can positively affect the forest environment. There are ways in which we can now deal with the land that can reduce the severity of the fires. We are never going to, as I say, nor should we try, to stop all fires. That is really what has gotten us into the situation we have now. We know that is wrong. But we also know that to the extent that we do go in and thin out a forest area, we actually accomplish some very positive goals. Fire will not burn as quickly, it will not burn as hot, it will not burn through the forest if, in fact, it comes to an area that has been treated.

Now, this is very difficult to see and probably impossible, but I will try, nonetheless, to explain what we have here, a couple of pictures of where there has been a fire and where there was not. The fire burned right up to it, burned every single thing in its path in the area that was untreated. This is called the Bucktail fire in Colorado. It came up to and stopped, essentially stopped at the treated areas. The fire comes down out of the trees, goes on to the ground and eventually burns itself out in these treated areas.

It is amazing to me that I have seen it with my own eyes. I saw it 2 weeks ago when we were in Colorado and went back to the district and were looking at the effects of other fires, earlier fires. High grass fire, they were called. And we could stand on a line and look straight down that line and on the right-hand side where the area had been treated, the fire had stopped. All the way on the left-hand side of the picture as one could see, everything was destroyed; just these black spindles sticking up out of a lunar landscape. Everything was destroyed and, as I say, even the ground was seared. We got to that line, and it burned that community in their plan just like it is supposed to and burned some cover on the ground and burned itself out.

Now, this fire, I do not know how much less severe it would have been had we been there and do some of the things that the Forest Service had planned on. There was only one area, a roadless area, that was in the middle of this Hayman fire area which had been identified by the Forest Service as the place in which they were going to do thinning. About a year and a half ago when they were ready to start the job of thinning that area, a group of environmental organizations filed an appeal to stop them, stop the Forest Service plan. I have heard from the Forest Service since it first ran; it happens all the time. The Forest Service goes into negotiation with the environmental groups to try and solve the problems that are presented to them, try to meet the needs of the environment and do some of the things that the Forest Service had planned on. There was only one area, a roadless area, that was in the middle of this Hayman fire area which had been identified by the Forest Service as the place in which they were going to do thinning. About a year and a half ago when they were ready to start the job of thinning that area, a group of environmental organizations filed an appeal to stop them, stop the Forest Service plan to remove these trees and underbrush. It goes on negotiating for about a year and a half. We come to the end of that period of time when we think they are almost there, I believe, with the environmental community on exactly how the efforts to thin that area of the forest should go on, and the next thing we know, they file another appeal, stopping the whole thing.

We were just about to get there, therefore, The Forest Service was unable to do any thinning in this particular part of the forest, and I am referring to this roadless area. Well, there is an area that I really worry about now. There is no reason for the environmental groups to file any other appeals, because the forest that they were concerned about is gone. It is all ash. And as I say, it looks like a lunar landscape. It is beyond anybody’s ability to describe it accurately, I guess; but one has to see it to believe it. Twenty-one homes so far, probably more than that, but that is what we know so far that are gone; at least 5,000 people evacuated, 40,000 people getting ready to evacuate.

The impact, as I say, on the environment as a result of the fire will be enormous. It will be much greater than we can possibly imagine, because this is a bigger fire than we can possibly imagine. So all of the things that happen as a result of a catastrophic fire like this are just waiting for us to try and deal with as time goes by. There are hundreds and thousands of firefighters on the line, but there is little that they can do. The breadth of the fire is so wide, the intensity so great that there is really little they can do. They are dropping, of course, retardant. They are out with all the water they can. There are just hundreds and thousands of buckets that are being carried in there is actually evaporating before it hits the fire, it is so hot, the air is so dry. This is a horrendous fire.

I want to emphasize that I do not blame environmental groups for starting this fire. Of course not. They had nothing to do with the cause of the fire. It is just that we could have had perhaps a much less severe fire had we been able to get in there and thin this land.

Now, I am proposing a piece of legislation that we started on 2 or 3 weeks ago; it was before this most recent fire started. It was after we went up and looked at the results of the Buffalo Creek and High Meadows and Snaking fires in Colorado. There were two things that I was confronted with when I got up there and when we were talking about it. One was that the fine for people starting illegal fires in the forest, illegal camp fires in a Federal area, anyway, is ridiculously small. It was like $25 in that part of the forest where I visited, the Pike National Forest that I visited a couple of weeks ago; and I think it is about $50 in the part of the forest that is presently on fire. A $50 fine or a $25 fine for starting something that could cause this kind of enormous devastation. That has to be dealt with. That cannot be allowed to continue.

We actually had instances. I was told by the fire people, by the fire ranger up there 2 weeks ago that we had people who would chip in. When a fire ranger got there and told them they had started a fire illegally and the fine was $25, the people just reached into their pockets and everybody chipped in 5 bucks and they handed him the money. So what? For 25 bucks. The thing is, when I went up there 2 weeks ago, I was up there on Monday at the new fire, a forest ranger told me that she had talked to somebody on the phone, I do not remember if it was a day or so before, who wanted to know if they could pay the fine in advance, like a fee, for instance. In this case it was 50 bucks, and they wanted to just send them the “fee” or the fine to pay in advance to go up and start a fire in the national forest when it is in the middle of the most horrible drought we have had in years, willing to lose money in trying to underwrite the stupidity of people like this. It is amazing.
So I have proposed legislation to increase that to a $1,000 fine and the possibility of a year in jail if you end up doing something like this fire, or causing something like this fire. That is for starters.

The second thing we need to do is to prevent the Forest Service from being able to get in there and clear the land. They really revolved around two things: internal inertia within the Forest Service, internal bureaucratic problems, process problems; it is called analysis paralysis. That is the phrase they use to describe it. Because they spend days, months, years in the analysis of minuscule things because there might possibly be a challenge, there might possibly be a court challenge, there might possibly be an appeal, so everybody spends 40 or 50 percent of the time they have, instead of actually managing the forest, writing reports that are designed as sort of CYAs, if you will, in case somebody has an objection to what you want to do, and nothing ever happens. That is internally.

Externally, we have groups, organizations that are dedicated to stopping any sort of activity in the forest carried on by mankind. There are the extremists on the one side that say there is absolutely no forest that really man should be in. Forests are nature’s preserves and man does not have a place there. And they want to stop any activity whatsoever: no road building, no logging, no recreation. Just stay out. Forests are not for people. That is their motto. Forests are for animals and other forest denizens. And their continued legal battle with the Forest Service always spills into courtrooms or through the bureaucratic process of appeals.

So what we have is between the Forest Service’s inability to act just, as I say, willy-nilly, and the lawsuits filed by groups like the Wilderness Society that filed the appeals on the thinning proposals for the Pike National Forest. The two things combined are deadly. They lead to this. This is the result. Again, not fires that they start, simply fires that grow faster and are more severe and more severe than they otherwise would have been.

What we are hoping to do is actually return parts of the forest, as much as we can, to a natural state. This is thinning. It is imperative that we do this and do it as quickly as possible, or this is going to be the way in which our forests will be consumed in the next year or so. We have already burned more acres in Colorado this summer, and it is not even mid June, than we did all of last year, and I am sure that we are at historical levels. I do not think we have ever had as much land on fire in Colorado. I believe that that is what is going to happen all over the West, and we are continuing as we keep putting obstacles in the path of the Forest Service to try and deal with this.

There is another bill, therefore, that we introduced that tries to accommodate the needs of everyone involved here. It is called the charter forest idea, the charter forest plan. It was originally proposed by the President. They have been, by the way, the President, we have taken it, I guess this is the first such attempt in the Nation to actually write a Forest Service plan placed on a charter forest. The idea is: that the local community and the entire forest will be on a forest management plan. Everybody will be at the table during the discussion: environmental groups, business groups, local authorities, county, State, and municipal officials, and, of course, the Forest Service. Everyone will have the opportunity to develop a forest plan, and it will be managed at the local level, for the most part; and it will be freed of many of the bureaucratic obstacles that presently stop other forest management plans from being implemented. And I hope that we will accomplish some of our goals in terms of positive, healthy forest management.

I stress that everybody will have a role to play: everyone will have the ability to discuss the concerns they have for their local area. If it is adopted, then that is the way in which that forest will be operated for at least 10 years. Then we will review it, we will review it actually midpoint at 5 years and again in 10 years to see how well that plan has worked and whether or not the whole concept of charter forest is viable.

It is built really on the charter school concept. That is where it gets its name. Because we have seen for years and years and years that public schools are unable to actually accomplish their tasks many times because of the bureaucratic problems they confront, that people taking the responsibility into their own hands for their children’s education, charter schools. They write a charter and they say, here is the kind of curriculum we want, here is the kind of teachers we want, here is the length of school day we are going to have, here is the number of school days, here is where the setting is going to be; and they write their own school charter and run it themselves at the local level, and we free up and take away many of the regulations and give them a much broader hand in actually running this school. I hope that we are talking about with a charter forest. We are going to reduce the regulatory burden, and we are going to add responsibility to the people at the local level to manage the forest.

So I hope that these concepts will move forward. And I hope that we will be able to quickly get into the forests all around this Nation. If we started tomorrow, of course, it would take us many years to really reduce the fuel loads in some of these forests. But we must start somewhere. We cannot let fires like this do it for us because, of course, it will be 100 years before this forest will return to anything that looks like a forest. We will all be long gone, and our children will have very little opportunity to enjoy the wonders of this magnificent natural wonderland. So I hope that we can do that quickly and efficiently.

Now, there is one other area, and this leads me to the next part of my discussion, which will surprise no one: it has to do a little bit with immigration reform. There is another forest that has suffered severe fire damage in the last several months. It is the Coronado Forest in Arizona. I had gone down there a little bit before I went to visit the forest in Colorado; actually, I am sorry, it was about a month before, and we went down there because I am a member of the Committee on Resources and we had heard about the incredible environmental damage that was being done in that area and to the Coronado Forest.

Now, this damage was many-faceted. It was actually the result of literally hundreds of thousands of people coming through this illegally, coming from Mexico into the United States and using the rough terrain and the heavy brush to stay undetected while they came through, either individually seeking whatever they were seeking in America, most of them I am sure looking for jobs, and/or bringing in narcotics, illegal drugs.

The area has now become the most heavily trafficked area along the border for people coming in illegally and bringing in illegal drugs. What we saw were the folks on the border doing yeo-man’s work, the Border Patrol, in trying to interdict this flow of both people and drugs.

I think something like 90,000 pounds of marijuana and I have forgotten how much of cocaine and heroin have been confiscated already this year, but it still is coming; and it comes as a result of people carrying about 60 pounds of narcotics on their backs, in these homemade backpacks. They come through the forest.

They come by so many numbers, in such large numbers, that of course they begin to wear footpaths throughout the forest. This is a very delicate ecosystem. It does not take much, it does not take many feet on the ground to actually wear a path into the ground in a very short time; and it does not go away for a long, long, long time. It is almost like the tundra in that respect.

And just then, you will see that after they follow that path for a while, they will move off because they think that they have other sensors that have been placed, and sometimes there are sensors that have been placed by our Border Patrol people to try to catch them, so they move over a little and create another path. When we fly over that forest, we look down and what we see is a tangle of paths, paths through the forest. They are also bringing both narcotics, illegal drugs.
Then they will get to a certain place in the forest sometimes 5, 10, 15 miles up, and they will unload their goods. Another truck will come in on a road that is not a forest road, it will just be a road that was created by so many trucks coming in. Pickup trucks, Suburbs, large vans, SUVs, and they will come in and load the drugs on these trucks and take them out of there.

Of course, all that activity causes damage. There are roads all over the Coronado which are not Forest Service roads. They are simply drug dealer roads, but there are more of them than there are Forest Service roads. There is more damage from forest roads than there is from Forest Service roads. There are more road by drug dealers than there is of any other thing; more than the campers, more than the hikers, more than the bikers. There are far more people coming through that place with guns protecting their illegal stuff coming through those places than there are the hikers, the campers, the people coming through to enjoy the scenery of a national forest; one of the oldest national forests in the United States, I should add. It was created, I think, in 1903.

That is not all that they have done to the forest. This packing material where they carry these backpacks made of this nylon fiber, where they unload, they just stack up these homemade backpacks that are nothing but, just like I say, these kinds of nylon rope things, but they will be coming in with huge stacks of them. The birds come and take it, build their nests out of it, and sometimes of course they get entangled in it. There are all kinds of environmental problems. The trash is incredible.

As we ride through the forest, as I was able to do on horseback the first day, then we flew over by helicopter the next day about the first 100 miles, where we looked along these paths were empty bottles from water, plastic water bottles everywhere, clothes everywhere, tin cans where they made campfires and just cooked something over open fires, and there were strewn all over the place. This was not a national forest; it was a national dump.

Now, the other thing that was happening, of course, was that these fires that they were setting at night, these campfires illegally set by people coming in illegally, were catching fire the next day. These people would walk away from it and not pay much attention to it and of course it would catch fire. This area is also a place of incredible drought. It is a desert anyway, but right now it is even more dangerous in terms of fire.

The day we left there a month ago Sunday, a fire broke out that by the time we got back there had already consumed 35,000 acres. There was another one just a couple of weeks ago that started the same way with people coming through there illegally, people coming in the United States illegally, carelessly starting these fires, walking on and destroying part of the forest.

Now here is an intriguing aspect of it. We were told by the forest manager there that for many of the fires that they fight they cannot even use the typical firefighter methods. They cannot fly in slurry and drop it because there are so many people in the forest, so many illegal aliens through the forest, that it actually would harm them. It would get on them. This retardant material might get on them, and we would get sued because we were trying to put out a fire; we dropped the fire retardant out and we have illegals coming through.

I am sure Members are aware of the fact that not too long ago a family of 11 people who died coming into the United States, coming in illegally, they died of thirst and dehydration, or in some way of the elements coming across the desert; and we are being sued by $3.75 million for each one of them, as if it was our fault; we have a burden, and this is our responsibility.

Well, we fight these fires because there are so many people. We do not even put people up there at night to fight the fires because there are so many people coming through with guns protecting drug traffickers. And about a little over 3 weeks ago, we had an incident that was very peculiar, and unfortunately, not all that unusual. I thought it was, when I first heard about it; but come to find out it is not all that odd. Here is what happened.

It is a Friday, as I say, maybe 3 weeks ago. Just south of Ajo, Arizona, on the Tohono O’odham Indian reservation, the Indian police came across a Mexican humvee with Mexican military markings on it, and Mexican military inside of it. This was inside the United States of America. This was on the Indian reservation, the Tohono O’odham Indian reservation.

There was a confrontation, and finally the Mexicans accelerated and went away and went back to Mexico. The Indian police called the Border Patrol and the INS, and we sent the cavalry and got down there, and the Mexican military vehicle had turned around. What in the world were they doing there? What is going on?

A little bit later in the day it turns out we intercept a drug shipment. We seize it, it is 1,200 pounds of narcotics, probably marijuana, I am not sure, that were coming through in that same area, and it could be ours.

We have a Mexican military vehicle in the United States; we have this shipment of drugs coming through a little bit later that we intercept. Later on that night the United States Border Patrol was going along the border, and it comes across that same or another humvee of a similar type, we do not know which because they all look alike, but there is Mexican military inside and Mexican military markings on it.

They are ordered to turn around and go back. The Border Patrol agent is under orders to turn around and go back when he confronts this kind of situation. For one thing, they are outgunned.

One of the peculiar things we have done in order to satisfy some of the concerns expressed by the Mexican government is that we have taken many of the M-16s away from our Border Patrol people, taken them away and changed them into single-shot as opposed to automatic weapons, so we are outgunned at the border, quite frankly, and certainly outmaneuvered.

I was up around 5 o’clock this morning shot rings out and goes through the back window of his vehicle, this is the Border Patrol vehicle, goes through the back window, hits a wire cage that separates the front seat from the back and ricochets off and goes out the right rear window, certainly coming close to killing this agent, this Border Patrol agent and officer.

Now, no one had heard about this. This had happened on a Friday. It was Newsmaker Tuesday of that week, and my staff was looking through the e-mail and came across a message from a Border Patrol officer in the area telling us about this. I, of course, think that this is incredible. I think it is almost enormously challenging to the United States how this could happen, and how do we not say a thing about it in the United States?

No news program covered this; no newspaper in Arizona covered this. I mean, do Members not think it is news worthy, Mr. Speaker? I certainly do. I cannot imagine this not getting out everywhere and let us turn everything around. Let us say armed military of the United States went into some other country and started shooting at their federal police. What do we think would happen? Do we think we would be hearing about that from the state department of the country where this incursion occurred? I think so.

It turns out we have had 118 incursions of a similar nature. Luckily, they did not do any harm, or they did not involve the discharge of firearms. About 90 percent of these incidents were with people carrying guns, but only a small percentage of these things actually ended up in firearms being discharged.

However, 118 times since 1997 we have had incursions into the United States by Mexican military troops or members of the Mexican Federal police, 118 times. These are confirmed, by the way, I am told by the Border Patrol that these are far more times than that this has happened, but the status of “confirmed” is difficult to get, so 118 is what we have confirmed.

I kept saying, what are you talking about, 118 times people have come into the United States from a foreign country? Why, I said? Were they lost? And, of course, there were chuckles around the table. Everybody thought that was pretty humorous that I would ask the question.

I am told, I do not understand it. Were they lost? What were they doing in the United States? The answer given to me every single time by the people
down there was, it is drug related. It is the opinion of almost every single one, no, not almost, but of every single person that we asked on the border as to what was the nature of these incursions, why would we have Mexican military, Mexican federal police in the United States, and they said it is because they were either protecting or creating a diversion for, the same thing, protecting a large drug shipment that was going through.

They are not there all the time because of the drug shipments are relatively small. It is a few people carrying these 60-pound backpacks, and there maybe 20 of them. They are usually preceded by a guy with an M-16 and followed up by a guy with an M-16 as they go through.

Imagine Mom and Dad camper at the forest there at the campsite, and all of a sudden going across the parking lot were 20 people, going across with narcotics in their backpacks, and followed by somebody with an M-16. It would be an interesting sight to behold, but I think a little more than they were bargaining for when they bought their parks pass.

But that is what is happening in the forest and it is actually being abetted by the Mexican government. This is incredible and yet we do nothing about it. They are able to blaze down there just like ours, not to the same extent, but it is ablaze. But why will we not say anything about that forest?

It is also, by the way, closed. They have closed the Coronado to anybody coming through. So more tourists coming through. But of course, they cannot close Coronado to the illegal traffic coming through. They can only close the Coronado to the people who want to just recreate there. But it is too dangerous. The fire danger is too great. The danger also of confronting somebody that is armed is too great.

The forest manager of that area told me that his greatest nightmare is that one of these days there is going to be a shootout, there is going to be some sort of event that occurs that confronts tourists and/or some of his own people with people taking narcotics through there and somebody is going to get killed. It almost happened, like I say, about 3 weeks ago on a Friday when the Federal border patrol agent was almost killed. But we heard nothing about it.

The reason we hear nothing about it is because it is a very sensitive topic. When I called the State Department and asked them about it, they said, Congressman, we are taking this up at the highest levels of government. I said, How long have you been taking this up? This has been happening since 1997. When do you think we are going to get somewhere?

I wrote a letter to the Mexican President Vicente Fox and said, I would like to know what you know about these events. I would like to know what you are doing to stop these events. He did write me back. I got a letter back from the ambassador from Mexico that said we do not like the tone of your letter and these incidents are being dealt with.

I am amazed that I have to sort of talk about this on the floor of the House to let people know what has happened. It should be a matter that is on every single news program in the United States. It should be something we talk about. We should be discussing these things, in the Committee on Armed Services, in the Committee on International Relations. We should be discussing these things. We are not because we know that this is a very dangerous situation, very touchy situation, very sensitive.

Why is it sensitive? It is sensitive because if the American public knew about these things, the extent to which they exist, combined with what the American public already knows about the other side of this border, our borderers and the ability for people to come across them at will and maybe to do us great harm, that the American public would rise up and demand from their representatives that they do something to protect this border. And I do not mean just the border between the United States and Mexico. I am talking about the border all the way around this country, north, south, east and west.

We have to do far more than we have done to secure those borders. We have sent troops thousands of miles away to defend the borders of other countries, but we refuse to put troops on our own border to defend our own country. Does this make sense to anyone? The defense of this Nation, as I said a hundred times, begins at the defense of border. And if you do not think that we have a problem just because people are coming here illegally and they are just being, they are just looking for jobs and why try to stop them? Well, you are right. Most people coming into the country illegally are just looking for jobs and why try to stop them? But a lot of people are coming in with dangerous stuff on their backs, in this case, narcotics on their back.

What is to say the next person who wants to do something to the United States like a terrorist attack will not bring in something a heck of a lot worse on their back? And what is to stop them?

I guarantee you if you look at the border you will find there is nothing to stop them. It is 5,500 miles, some delineated or demarcated by barbed wire fence and periodic ports of entry. As if anybody coming into the United States illegally is going to go through the ports of entry and say I can come in. I just do not have a pass right now. Of course not.

Why do you not walk a mile down the road and walk across the line into the United States? You can do it. There is no problem. Why? Because we cannot possibly defend our borders, can we? We cannot possibly defend 5,500 miles of border. You know what? We can. We choose not to. Can we make it so it is impossible for anybody coming into the United States and do us harm? No. I know we cannot seal the border. It is too long. It is too dangerous. It would not want to. There are trade issues and all the rest of that stuff. But can we do more than we are today to protect our borders? Yes, we can.

President Bush made a good first step when he announced last week when he is asking for the Congress to take action and create the Homeland Defense Agency that includes all of the disparate parts of border security. I am all for it. I commend him for doing that. I will do everything I can to support that effort. I hope that the Congress of the United States will act quickly to implement it. That will not be easy.

Well, I call here that one of the major obstacles to surrendering a little part of your turf is there are egos involved, and God forbid that anybody think that there are people around here with big egos. But let us face it, turf battles here are the deadliest and nastiest things you will see.

This will be a massive turf battle because we will take agencies away from a committee of reference and put them over here, and every chairman will be very upset about the fact that they are losing their little turf. It will not happen easily, but it is our responsibility to do it. We are not at the end of the road there. There are other things that can be done.

Certainly the military can be implemented in a much better way than we have used them so far in the protection of borders. We will have more to say about this issue next week. But for the time being, it behooves us, it seems to me, to do everything we can to protect our borders and defend these borders. And although there are plenty of people who do not like it, plenty of people here in this body, even in the administration, plenty of people in Mexico, maybe in Canada, who want to see open borders, the elimination of borders, it is such a nice idealistic concept, no borders. It is kumbaya time, everybody grabs hands and sings, and why can’t we all just get along, as the old saying was.

Well, you know what, there are reasons for borders. And the idealism of libertarian concept of open borders just does not fit with the real world. September 11 of last year should teach us the importance of borders and well-defended borders. It should teach us the importance of trying to identify who comes into the United States and why and for how long and what are they doing here once they get here, and do they leave when they are supposed to?

The other countries are able to handle that. You would think a country the size of the United States with the resources of the United States would figure out a way to actually identify the
people coming in, determine how long they are going to be able to stay here, and determine when they leave. And if they do not leave, find them, deport them.

You would think we would be able to do that. It is a big country. It would be hard, but it is not impossible. We can do it, Mr. Speaker, and we must do it. That is the thing. We have no options, really, because frankly our responsibility to the Congress and as a Federal Government is primarily to defend the lives and properties of the people in this country. That is number one. All of the other stuff we do around here is not as important. The hundreds of millions, if not billions of dollars we have appropriated to the Department of Health and Human Services and the Department of Education and the Department of Transportation, all of that money, really and truly, as exactly where it may by well spent, the fact is it has nothing to do with the primary goal of this country and the Federal government, I should say, the responsibility of the Federal Government. Nothing to do with that. But it has everything to do with our responsibility to establish border security.

I have talked on this issue many times and at great length, and I can only hope that we have moved the process along a little bit and that we are going to take steps soon to actually do something to secure those borders. And as I say, I am very happy with the President’s proposal for consolidation of activities inside the Homeland Defense Agency.

These are difficult times and we are challenged as perhaps we have never been challenged before. Because even in wars of the past we have been able to know where the enemy lay, and that is confronting them wherever they are, have the battle. We know who wins. We know who loses, and at the end of a period of time, thank God, the enemy surrendered and we know victory has been achieved and we can come home and begin our lives anew. But this is a different kind of war. We will never know perhaps when the battle is over with. We are challenged in a way we have never been challenged before as Americans.

It now behooves all of us in this body to take the important steps that have to be taken to secure those borders. Even then, as I have said a hundred times, it will not assure us that someone does not get through; but you can do at least this. You can say to yourself, I did everything I could as a member of this Congress, as the President of the United States, I have done everything I could possibly do to secure our border. I don’t make sure something like this never happens again. It could; but on the other hand, we need to do everything that we can do.

**LEAVE OF ABSENCE**

By unanimous consent, leave of absence was granted to:

Mr. Forbes (at the request of Mr. Armey) for today on account of his daughter’s high school graduation.

Mr. McInnis (at the request of Mr. Armey) for today on account of traveling to inspect ongoing fire damage in the district.

**SPECIAL ORDERS GRANTED**

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Pallone) to revise and extend their remarks and include extraneous material:)

- Mr. Bonior, for 5 minutes, today.
- Mr. Piliers, for 5 minutes, today.
- Mr. Pallone, for 5 minutes, today.
- Ms. Carson of Indiana, for 5 minutes, today.
- Ms. Norton, for 5 minutes, today.
- Mr. Lantos, for 5 minutes, today.
- Mr. Hoovers, for 5 minutes, today.
- Mr. Green of Texas, for 5 minutes, today.
- Ms. Kaptur, for 5 minutes, today.

(The following Member (at the request of Mr. Wilson of South Carolina) to revise and extend his remarks and include extraneous material:)

- Mr. Jones of North Carolina, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

- Mr. Cummings, for 5 minutes, today.

**SENATE ENROLLED BILL SIGNED**

The Speaker announced his signature to an enrolled bill of the Senate of the following titles:

S. 2431. To amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits.

**ADOPTION**

Mr. Tancredo, Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o’clock and 57 minutes p.m.), under its previous order, the House adjourned until Monday, June 17, 2002, at 12:30 p.m., for morning hour debates.

**EXECUTIVE COMMUNICATIONS, ETC.**

Under clause 8 of rule XII, executive communications were taken from the Speaker’s table and referred as follows:

7366. A letter from the Administrator, Department of Agriculture, transmitting the Department’s final rule—Raisins Produced From Grapes Grown in California; Reduction in Production Cap for 2002 Diversion Program (Docket No. FV02-989-2 FFR) received May 16, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Agriculture.

7367. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department’s final rule—Citrus Canker: Quarantined Areas (Docket No. 02-029-1) received May 16, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Agriculture.

7368. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department’s final rule—Importation of Used Farm Equipment From Regions Affected with Foot-and-Mouth Disease (Docket No. 01-037-1) received May 16, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Agriculture.

7369. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department’s final rule—Imported Fire Ant: Addition to Quarantined Areas (Docket No. 01-081-2) received May 16, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Agriculture.

7370. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department’s final rule—Eastern尖叫 Fruit Fly: Removal of Quarantined Areas (Docket No. 01-088-2) received May 13, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Agriculture.

7371. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department’s final rule—Change in Disease Status of Slovakia Encephalitis because of Reporting Error (Docket No. 01-122-2) received May 16, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Agriculture.

7372. A letter from the Assistant Secretary, Department of Defense, transmitting the Department’s FY 2001 Chief Information Officer Annual Information Assurance Report, pursuant to 5 U.S.C. 1502, section 1043, to the Committee on Armed Services.

7373. A letter from the Under Secretary, Acquisition, Technology, and Logistics, Department of Defense, transmitting a Report on Activities and Programs for Countering Proliferation and NBC Terrorism; to the Committee on Armed Services.

7374. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation’s final rule—Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Funding and Paying Benefits—received May 16, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Education and the Workforce.

7375. A letter from the Director, Office of Integrated Analysis and Forecasting, EIA, Department of Energy, transmitting notification that the Energy Information Administration’s (EIA’s), “Performance Profiles of Major Energy Producers 2000” is being released electronically on the World Wide Web; to the Committee on Energy and Commerce.

7376. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Resources, transmitting the Department’s final rule—Over-the-Counter Human Drugs; Labeling Requirements; Partial Delay of Compliance Dates (Docket Nos. 98N-0337, 98N-0429, 98N-0259, and 90F-0291) (RIN: 0910-AA79) received May 14, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Energy and Commerce.

7377. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department’s final rule—Medicare Managed Care: New Provisions [CMS-1043-F] (RIN: 0936-AC96) received June 13, 2002, pursuant to 5 U.S.C. 801a(1)(A); to the Committee on Energy and Commerce.

7378. A letter from the Secretary of the Commission, Federal Trade Commission,
transmitting the Commission’s final rule—Children’s Online Privacy Protection Rule—received May 14, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7379. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Navy’s letter of acceptance (LOA) to Switzerland for defense articles and services (Transmittal No. 02-22); pursuant to 22 U.S.C. 2751(b); to the Committee on International Relations.

7380. A letter from the Under Secretary, Personnel and Readiness, Department of Defense, transmitting a report on the audit of the American Red Cross for the year ending June 30, 2001, pursuant to 36 U.S.C. 6; to the Committee on International Relations.

7381. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the texts of the International Labor Organization Convention No. 184 and Recommendation No. 192 concerning Safety and Health in Agriculture, pursuant to Art. 19 of the Constitution of the International Labor Organization; to the Committee on International Relations.

7382. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a memorandum of justification for the fiscal year 2001 default waivers under section 620(a)(1) of the Foreign Assistance Act and Section 512 of the Kenneth M. Ladd Foreign Operations, Export Financing and Related Programs Appropriations Act, 2002 and a Drawdown under section 506 of the Foreign Assistance Act to support the Government of Afghanistan; to the Committee on International Relations.

7383. A letter from the Inspector General, General Services Administration, transmitting the Audit Report Register, including all financial controls, for the fiscal years ending September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(d); to the Committee on Government Reform.

7384. A letter from the Deputy Archivist of the United States, National Archives and Records Administration, transmitting the Administration’s final rule—Micrographic Records Management (RIN: 3095-AB96) received May 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

7385. A letter from the Deputy Archivist of the United States, National Archives and Records Administration, transmitting the Administration’s final rule—Receipt Disposition (RIN: 3095-AB92) received May 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.


7387. A letter from the Director of Personnel Management, transmitting the Office’s final rule—Revitalizing Rate Systems; Change in the Survey Cycle for the Portland, Oregon, Appropriated Fund Wage Area (RIN: 3236-AJ80) received May 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.


7389. A letter from the Acting Director, Office of the Secretary, Department of Veterans Affairs, transmitting the Department’s final rule—Increased Allowances for the Educational Assistance Test Program (RIN: 2900-AL02) received May 13, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans’ Affairs.

7390. A letter from the Secretary, Department of Veterans’ Affairs, transmitting a draft bill entitled, “Veterans’ Employment, Business Opportunity, and Training Act of 2002”; to the Committee on Veterans’ Affairs.

7391. A letter from the Secretary, Department of Labor, transmitting the Department’s semiannual report on the Worst Forms of Child Labor”; to the Committee on Ways and Means.

7392. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service’s final rule—Low-Income Housing Credit—received May 14, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7393. A letter from the Regulations Officer, Social Security Administration, transmitting the Administration’s final rule—Technical Revisions to Medical Criteria for Determinations of Disability (Regulations No. 4 and 16) (RIN: 0960-AE99) received May 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

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. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 3491. A bill to direct the Secretary of Transportation to make grants for security improvements to over-the-road bus operators, and for other purposes; to the Committee on Ways and Means.

Mr. CAPITOL: H.R. 4930. A bill to amend title XVIII of the Social Security Act to establish a Medicare prescription drug discount card endorsement program; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. OSBORNE: H.R. 4938. A bill to direct the Secretary of the Interior, through the National Reclamation, to conduct a feasibility study to determine the most feasible method of developing a safe and adequate municipal, rural, and industrial water supply for the Santee Sioux Tribe of Nebraska, and for other purposes; to the Committee on Resources.

By Mr. SMITH of New Jersey (for himself, Mr. EVANS, and Mr. FILIBRIO): H.R. 4939. A bill to amend title XVIII of the Social Security Act to provide for a transfer of outpatient care furnished to Medicare-eligible veterans by the Department of Veterans Affairs for outpatient care furnished to Medicare-eligible veterans by the Department; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, and Veterans’ Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STUMP (for himself, Mr. SMITH of New Jersey, Mr. EVANS, Mr. SIMPSON, and Mr. PAYNE): H.R. 4940. A bill to amend title 38, United States Code, to enact into law eligibility requirements for burial in the National Cemetery, and for other purposes; to the Committee on Veterans’ Affairs.

By Mr. TOOMEY: H.R. 4941. A bill to provide that the individual income tax rate reductions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent; to the Committee on Ways and Means.

By Mr. McKEVER (for himself and Mr. GREENWOOD): H.R. 4942. A bill to amend the Social Security Act to direct the Secretary of Health and Human Services, in addition to the Committee on Ways and Means, and Veterans’ Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BARCIA: H.R. 4928. A bill to recognize the American Boxing and Athletic Association as the official sanctioning body for amateur elimination boxing contests; to the Committee on Energy and Commerce.

By Mrs. NANNY: H.R. 4940. A bill to amend title XVIII of the Social Security Act to provide for a transfer of the jurisdiction of the committee concerned.

By Mr. PORTMAN (for himself and Mr. CARDIN): H.R. 4931. A bill to provide that the pension and individual retirement arrangement provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent; to the Committee on Ways and Means.

By Mr. GEKAS: H.R. 4932. A bill to amend the Social Security Act to establish an Office of Administration to provide administrative services to the Committee on Ways and Means.

By Mr. GEPHARDT: H.R. 4933. A bill to extend State historic tax credits; to the Committee on Ways and Means.

By Mr. GIBBONS (for himself and Mr. HANSEN): H.R. 4934. A bill to establish the Great Basin National Heritage Route, Nevada and Utah, as the Great Basin National Heritage Area; to the Committee on Energy and Commerce.

By Mr. GILLUM (for himself and Mr. GOODLATTE) (both by request): H.R. 4935. A bill to amend the Substances Control Act and the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Energy and Commerce, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. JONES of North Carolina: H.R. 4936. A bill to amend title 37, United States Code, to provide for allowance for the temporary disability retired list members moving from their last duty station to their designated home; to the Committee on Armed Services.

By Mr. LEWIS of Georgia (for himself, Mr. INAKSON, Mr. SERRANO, Mr. JACK- son of Illinois, Mrs. JONES of Ohio, Ms. McKINNEY, and Mr. PAYNE): H.R. 4937. A bill to amend the Internal Revenue Code of 1986 to authorize the Secretary of the Treasury to designate that a portion or all of their income tax refunds be used jointly by the Office of Minority Health and Human Services and the Office on Women’s Health of such Department to improve the health of minorities and women; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. JONES of Michigan, Mrs. BEGOS of Michigan, and Mr. PAYNE: H.R. 4938. A bill to amend the Social Security Act, in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of New Jersey (for himself, Mr. EVANS, and Mr. FILIBRIO): H.R. 4939. A bill to amend title XVIII of the Social Security Act to provide for a transfer of the jurisdiction of the committee concerned.

By Mr. STUMP (for himself, Mr. SMITH of New Jersey, Mr. EVANS, Mr. SIMPSON, and Mr. PAYNE): H.R. 4940. A bill to amend title 38, United States Code, to enact into law eligibility requirements for burial in the National Cemetery, and for other purposes; to the Committee on Veterans’ Affairs.

By Mr. TOOMEY: H.R. 4941. A bill to provide that the individual income tax rate reductions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent; to the Committee on Ways and Means.

By Mr. WELDON of Florida (for himself and Mr. GREENWOOD): H.R. 4942. A bill to amend the Social Security Act to establish an Office of Administration to provide administrative services to the Committee on Ways and Means.

By Mr. PORTMAN (for himself and Mr. CARDIN): H.R. 4931. A bill to provide that the pension and individual retirement arrangement provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent; to the Committee on Ways and Means.
the Committees on Ways and Means, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WOLF (for himself and Mr. SCOTT):

H. Res. 438. A resolution expressing the support of the House of Representatives for programs to prevent perpetrators of fraud from victimizing senior citizens; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

290. Ms. ‘AKIKER presented a memorial of the Legislature of the State of New Hampshire, relative to House Concurrent Resolution No. 21 memorializing the United States Congress urging the state attorneys general and the Federal Trade Commission to enforce the Telemarketing Sales Rule and urging Congress to adopt the Know Your Caller Act of 2001; to the Committee on Energy and Commerce.

291. Also, a memorial of the Legislature of the State of New Hampshire, relative to House Concurrent Resolution No. 27 memorializing the United States Congress and the Department of Justice to complete its inquiry into the mistreatment of its African American service personnel and Veterans during World War II with due speed and release the results of such inquiry to the public; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H. R. 190: Mr. Brown of South Carolina.
H. R. 432: Mr. Kildee.
H. R. 433: Mr. Walsh of Massachusetts.
H. R. 595: Mr. Ackerman and Mr. Owens.
H. R. 690: Mrs. Morella.
H. R. 699: Mr. Ross.
H. R. 835: Mr. Larson of Nebraska.
H. R. 822: Mr. Leach, Mr. Roeper, and Mr. Larsen of Washington.
H. R. 849: Ms. Ros-Lehtinen, Mr. Wynn, Mr. Rogers of Florida, Mr. Kilpatrick, Mr. Israel, Mr. Boccardo, Mr. LaHood, Mr. Paul, Mr. McNulty, Mr. Conyers, Mr. Jackson of Illinois, Mr. Hooley, Mr. Crane, Mrs. Davis of California, Mr. Watkins, and Mr. Davis of Illinois.
H. R. 854: Mr. Deutch, Mr. Wolf, Mr. Edwards, and Mr. Leach.
H. R. 945: Ms. Carson of Indiana.
H. R. 951: Mr. Hoyle, Mr. Hunter, Mrs. Napolitano, Mr. Nadler, Mr. Linder, and Ms. Millender-McDonald.
H. R. 1011: Mr. Wamp and Mr. Thompson of Mississippi.
H. R. 1021: Mr. Bilirakis.
H. R. 1108: Mr. McHugh.
H. R. 1143: Ms. Velazquez.
H. R. 1265: Mr. Udall of New Mexico.
H. R. 1452: Ms. Solis and Mr. Nadler.
H. R. 1541: Mr. G. K. Butterfield.
H. R. 1596: Mr. Estoque and Mr. LoBiondo.
H. R. 1598: Mr. Plattus and Mr. Sabo.
H. R. 1671: Mr. Thompson of Mississippi.
H. R. 1839: Mr. Hrusa, Mr. Pascrell, Mr. Bonior, and Mr. Gonzalez.
H. R. 1904: Mr. Baird.
H. R. 1935: Mr. Ford, Mr. Hayes, Mrs. McCarthy of New York, Mr. Mollohan, Mr. Crane, Mr. Ackerman, Mr. Lipinski, and Mr. Lucas of Kentucky.
H. R. 2014: Mr. Wilson of South Carolina and Mr. Simmons.
H. R. 2059: Ms. McKinney.
H. R. 2071: Mr. Davis of Illinois and Mr. Maloney of California.
H. R. 2094: Mr. Peterson of Pennsylvania.
H. R. 2098: Mr. Israel, Mr. Waxman, Mr. Pence, Mr. McNulty, and Mr. LoBiondo.
H. R. 2148: Mr. Thompson of Mississippi.
H. R. 2207: Mr. Baldacci.
H. R. 2284: Mr. Conyers, Mrs. Christensen, Mr. Israel, Mr. Filner, Mrs. Mink of Hawaii, and Mrs. Foxx of North Carolina.
H. R. 2296: Mr. Brown of Ohio and Mr. English.
H. R. 2364: Mr. Schiff.
H. R. 2420: Mr. Meeks of New York and Ms. Loe.
H. R. 2442: Mr. Frank.
H. R. 2484: Mr. Reyes.
H. R. 2571: Mr. Lipinski.
H. R. 2638: Mr. Larsen of Washington, Mr. Blunt, and Mr. Gilman.
H. R. 2837: Mr. Stark.
H. R. 2863: Ms. McKinney.
H. R. 2874: Mr. Holt, Mr. Holden, Mr. Sandlin, and Mr. Wilson of South Carolina.
H. R. 3055: Mr. Leach.
H. R. 3234: Mr. Sessions and Mr. Berrut.
H. R. 3335: Ms. McKinney, Mr. Kildee.
H. R. 3337: Mr. Mink, Mr. Reyes, and Mrs. Kelly.
H. R. 3397: Mr. Crowley.
H. R. 3421: Mr. Goodlatte.
H. R. 3443: Mr. Maloney of Connecticut.
H. R. 3493: Mr. Pascrell.
H. R. 3549: Mr. McGovern.
H. R. 3524: Mr. Davis of Illinois.
H. R. 3542: Mr. Conyers.
H. R. 3585: Mr. Stupak, Ms. Millender-McDonald, Mr. Kildee, Mr. Abercrombie, and Ms. Norton.
H. R. 3624: Mr. LoBiondo.
H. R. 3626: Ms. Delauro and Mr. Reyes.
H. R. 3673: Mr. YESWELL.
H. R. 3708: Mr. Crowley.
H. R. 3794: Mr. Rahall and Mr. Pastore.
H. R. 3831: Mr. Hilliard, Mr. Fletcher, Ms. Pryce of Ohio, Mr. Barr of Georgia, Mr. Greenwood, Mr. Crenshaw, Mr. Sandlin, Mr. Stroman, and Mr. Stupak.
H. R. 3884: Mr. Rahall, Mr. Mollohan, Mr. Pastore, and Mr. Turner.
H. R. 3907: Mr. Riley and Mr. Hall of Ohio.
H. R. 3940: Mr. Bishop.
H. R. 3974: Mr. Conyers.
H. R. 4018: Mr. Schakowsky.
H. R. 4058: Mr. Kucinich and Ms. McCollum.
H. R. 4066: Mr. Graham.
H. R. 4089: Mr. Davis of Illinois, Mr. Faleomavaega, Mr. Udall of Colorado, Mr. Hilliard, and Mrs. Maloney of New York.
H. R. 4091: Mr. Faleomavaega, Mr. Udall of Colorado, Mr. Hilliard, and Mrs. Maloney of New York.
H. R. 4092: Mr. Hilliard, Mr. Udall of New York, Ms. Lipinski, and Mrs. Maloney of New York.
H. R. 4119: Mr. Underwood.
H. R. 4199: Mr. Vitter.
H. R. 4378: Mr. Lofgren.
H. R. 4394: Ms. Kilpatrick.
H. R. 4483: Mr. Ferguson, Ms. Delauro, Ms. Woulser, Mr. Burton of Indiana, Mr. Rodriguez, and Mr. Owens.
H. R. 4515: Mr. Kennedy of Minnesota and Mr. Stenholm.
H. R. 4632: Mr. Peterson of Minnesota.
H. R. 4690: Mr. Simpson, Ms. Dunn, Mr. Schrock, Mr. Boehlert, Mr. Osborne, and Mr. Ge coch.
H. R. 4634: Mr. Weldon of Florida.
H. R. 4635: Mr. Cannon and Mr. Chablis.
H. R. 4642: Mr. Duncan.
H. R. 4645: Mr. Lynch.
H. R. 4675: Mr. Pomeroy.
H. R. 4683: Ms. Esseh and Mr. Inslee.
H. R. 4685: Mr. Bachus.
H. R. 4693: Mr. English, Mr. Shimkus, Mr. Holden, Mr. Ramstad, Mr. Cantor, Mr. Holt, Mr. Pence, Mr. Owens, Mr. Sullivan, Mr. Saxon, Mr. Waxman, Mrs. Kelly, Mr. Nadler, Mr. Berman, Mr. Ferguson, Mr. LoBiondo, Mr. Ross, Mr. Clement, Mr. Wexler, Mr. Linder, and Mr. Sherman.
H. R. 4707: Mrs. Thanham, and Mrs. Mink of Hawaii.
H. R. 4716: Mr. Barcia, and Mr. Taylor of Mississippi.
H. R. 4736: Mr. Gillmor.
H. R. 4742: Mr. Weldon of Pennsylvania, Mr. Owens, and Mr. English.
H. R. 4754: Mr. Ortiz, and Mr. Owens.
H. R. 4767: Mr. Duncan.
H. R. 4768: Mr. Kucinich.
H. R. 4777: Mr. Chablis.
H. R. 4794: Ms. Roybal, Mrs. Mink of Hawaii, Mrs. Maloney of New York, Ms. Brown of Florida, Mr. Israel, Mr. Baker, Mrs. Thurman, and Mr. Vitter.
H. R. 4798: Mr. Stenholm, Mr. Rohrabacher, Ms. McKinny, Mr. Frost, Mr. Kildee, Mr. English, Mr. Frank, Mr. Green of...
Texas, Ms. Brown of Florida, Mr. McGovern, Mr. Acevedo-Vila, and Mrs. Mink of Hawaii.  
H.R. 4803: Mr. Fattah, Mr. McGovern, Mr. Neal of Massachusetts, Mr. Hall of Ohio, Mrs. Clay, Mr. Frost, Mr. Owens, Mr. McDermott, Ms. Millender-McDonald, Mr. Clement, Mr. Baldacci, Mr. Jackson of Illinois, Mr. Clay, and Mr. Kucinich.  
H.R. 4804: Mr. Burer of North Carolina, Mr. Hastings of Washington, Mr. Tancredo, and Mr. Terry.  
H.R. 4839: Ms. Hart, and Mr. Duncan.  
H.R. 4854: Mr. Burrell of North Carolina, Mr. Hastings of Washington, Mr. Tancredo, and Mr. Terry.  
H.R. 4858: Mr. Costello.  
H.R. 4860: Mr. Larsen of Washington, Ms. Norton, Mr. Sawyer, Mr. Bentsen, and Mr. Hall of Texas.  
H.R. 4896: Mr. Gordon and Ms. McCarthy of Missouri.  
H.R. 4918: Mr. Kucinich.  
H.J. Res. 40: Mr. Simmons.  
H.J. Res. 92: Mr. Capuano, Mr. Berman, Mr. Frost, Mr. Crowley, Ms. Sabo, Ms. Woolsey, Mr. Ackerman, Mr. Pascrell, and Ms. Solis.  
H. Con. Res. 60: Mr. Conyers.  
H. Con. Res. 197: Mr. Bonder.  
H. Con. Res. 382: Mr. Kucinich and Mr. Hoeffel.  
H. Con. Res. 401: Mr. Pascrell.  
H. Con. Res. 402: Mr. Filner.  
H. Con. Res. 417: Mr. Owens, Mr. Wexler, and Mr. Nadler.  
H. Res. 313: Mr. Oberstar, Mr. Conyers, Ms. Norton, and Ms. Eddie Bernice Johnson of Texas.  
H. Res. 393: Mr. Saxton and Mr. Jefferson.  
H. Res. 416: Mr. Bonilla.  
H. Res. 434: Ms. Berkley.  

57. The SPEAKER presented a petition of the LaSalle County Board, Illinois, relative to Resolution No. 02-48 petitioning the United States Congress that the LaSalle County Board opposes any changes to the 800 MHz Band, and is in opposition to the Federal Communications Commission Notice of Proposed Rule Making (FCC 02-81) WT Docket No. 02-55; to the Committee on Energy and Commerce.  
58. Also, a petition of the LaSalle County Board, Illinois, relative to Resolution No. 02-47 petitioning the United States Congress that LaSalle County endorses a federal subsidy for passenger rail service and a high speed passenger rail line through LaSalle County and Northern Illinois; to the Committee on Transportation and Infrastructure.
The Senate met at 9 a.m. and was called to order by the Honorable Zell Miller, a Senator from the State of Georgia.

PRAYER

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

God is good all the time; all the time God is good! We say with the psalmist, "I would have lost heart, unless I had believed that I would see the goodness of the Lord in the land of the living."—Psalm 27:13.

What do we mean when we affirm that You are good? You have taught us, dear God, that Your goodness is Your impeccable consistency. We always can depend on You to be the same yesterday, today, and tomorrow. You do not play favorites; You treat all Your children the same. It is only humankind that withholds Your blessings of justice, mercy, and plenty from some of Your people. Or we tolerate customs, laws, or social prejudices that block Your goodness being offered to all.

If we say with the psalmist, "Blessed be the Lord, who daily loads us with benefits, the God of our salvation!"—Psalm 68:19, then help us, generous Lord, to be to others as kind, caring, and forgiving, just as you have been to us. May it be said of us, "He/she is good all the time!" Amen.

PLEDGE OF ALLEGIANCE

The PRESIDING OFFICER. The Honorable Zell Miller 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,
Washington, DC, June 12, 2002.

To the Senate:

Under the provisions of rule 1, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Zell Miller, a Senator from the State of Georgia, to perform the duties of the Chair.

Robert C. Byrd, President pro tempore.

Mr. MILLER 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. The Chair will shortly announce that the first hour of the Senate today will be morning business, until 10 a.m. The first half of that time is under the control of the majority leader. It is my understanding that Senator STABENOW will be here to talk about pharmaceutical products. The second half of the time will be under the control of the Republican leader.

At 10, we will begin consideration of the terrorism insurance bill. We have waited a long time to be able to have this measure on the floor. Industries all over America, for months, have been telling us this is necessary. I hope those people who don't want this legislation passed—and there are some—will offer their amendments and take whatever verdict the Senate renders and not try to stall and kill this legislation. If that is the case, I think the majority leader would have no alternative but to file a cloture motion.

There is ample time to amend this legislation. I think both leaders acknowledge the importance of this legislation and the need to move on. So if there is an effort to stall, after a period of time the majority leader will again have to make a determination as to whether a cloture motion will be filed. I hope that is not the case and that it moves forward. We almost passed it by unanimous consent before the Christmas break. Since that time, things have gotten worse instead of better. We have construction projects that are coming to a halt because they cannot obtain terrorism insurance. It has become extremely important that we do something about this. I hope we as a Senate can move forward.

Mr. President, the chair has some business to conduct.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for up to 10 minutes each. Under the previous order, the first half of the time shall be under the control of the majority leader or his designee.

The Chair recognizes the Senator from Michigan.

THE HIGH COST OF PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, it is a pleasure to be here again this morning speaking about one of the most important topics to touch American families, seniors, and businesses. The entire economy, right now, is struggling with the explosion of health care costs. Most of those relate to the crisis of prescription drugs.

This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
First, I thank the Senator from Georgia for his leadership, for bringing forward and fighting for Medicare and prescription drug coverage for seniors. I was pleased yesterday to join with the occupant of the chair, Senator Bob Graham from Florida, Senator Ted Kennedy from Massachusetts, Senator Harry Reid, our distinguished assistant majority leader, and many others who have come together to put forward a voluntary, comprehensive Medicare prescription drug benefit for our seniors, so we can be proud of, that people can choose to sign up for if they need it; and if they choose not to because of other coverage, that is good as well. But it will be there for everyone. It will finally keep the promise of Medicare by truly covering the way health care is provided today. We know that is long overdue.

As we all know, in 1965, when Medicare was constructed, it covered the way health care was provided. When you went to the hospital and had an operation, you might need penicillin or something else connected with your stay in the hospital. But today is different. Most people don’t go to the hospital. Most people are able fortunately to receive some kind of assistance, such as medications that prevent problems. Some have high blood pressure or high cholesterol and many other things that they need to take medication to control. You also may be able to take a pill that stops open-heart surgery. A gentleman in Michigan tells me he takes one pill a month, and it stops him from having to have open-heart surgery. He said that is great, but the pill costs $400 a month.

This is a gentleman who, fortunately, is a UAW retiree and is able to receive some assistance from an excellent benefit plan. But he said: What if I didn’t have that? What if I was just on Medicare and didn’t have that extra help that came from my job? That $400 a month that stops open-heart surgery is a wonderful benefit.

We celebrate the fact that that drug was created. But too many people who are already cut enough. They are saying let private insurance cover prescription drugs with prescription-only policies. I suggest that if the House is talking about is that it doesn’t make sense.

Join with us in something that is real and makes sense. My fear is that what is being talked about by our House Republican colleagues is charging copays. One will have to pay on the front end for visits. On the one hand, while saying we want to help with prescription drug coverage, on the other, we are going to create new costs for you, we will save a little money in this pocket and take a little more out of this pocket. In the end, that will not be helpful to people.

I call upon my colleagues on the other side of the aisle, on the other side of the Capitol, in the House of Representatives, to join with us in a real effort. Do not add costs to home health care. Do not cut our providers who have already been cut enough. Join with us in something that is real and makes sense.

One of my other concerns about what the House is talking about is that it would not be a benefit under Medicare. They are saying let private insurance companies sell prescription drugs with prescription-only policies. I suggest that if the insurance companies wanted to do that, they would have already done that. The reason they do not is that it is very expensive to provide a prescription-only insurance policy, outside of Medicare or outside of a standard policy.

Ironically, if you go back and look at the debate prior to 1965 when Medicare came into being, it came into being because the only thing that older adults had at that time was to try to find insurance in the private sector, and about half of them could not find any or it was not affordable because it is...
that this issue affects everyone. As I was made in 1965, but we also know that we are asking people to take a look at Stabenow.Senate.gov. At this Web site, we are listening, to visit my own Web site. We are saying that is not good enough. I believe people are watching and are holding us accountable as to whether or not we are going to get past the talk and start walking the walk.

Are we going to make this happen or continue to set up straw men that sound real enough through an election, but, in the end, do not create the ability for one senior to buy one pill? That is the challenge we face, and we have an opportunity because of the leadership in the Senate by our Senate majority leader, Senator Daschle, and Senator Harry Reid, and others who have said this is so important, we are going to make this a priority now, that this summer we are going to act on this issue; we are going to bring this up.

It is so important we now engage people and invite people to join us to make sure we are successful. This is not just about getting a vote or bringing up a bill, this is about fixing the problem. It is about creating a Medicare prescription drug benefit for everyone who needs it and making sure they then have the ability to get the health care they need.

Frankly, I am excited about what is ahead in the next few weeks and want to invite people to join us to be a part of this effort—again, fairdrugprices.org.

I want to also invite people from Michigan, if those from Michigan are listening, and Senator Daschle, and Senator Harry Reid, and others who have said this is so important, we are going to make this a priority now, that this summer we are going to act on this issue; we are going to bring this up.

I also mention this morning the importance of making sure that everybody who has access to health care; that our older citizens, our disabled citizens would be able to get the same care that other citizens received. That was a promise we made in 1965.

Now, instead of making sure that promise is real by covering prescription drugs, which is the way health care is provided today, we have our colleagues on the Republican side of the aisle saying: Let’s go back to what did not work before 1965. Let’s go back to the system that does not work.

We are saying that is not good enough. More importantly, the people of the country are saying that is not good enough. I believe people are watching and are holding us accountable as to whether or not we are going to get past the talk and start walking the walk.

When all is said and done, after all this investment and all of this effort to support creating these new drugs, what do we have? Unfortunately, we have, as Americans, the highest prices in the world. That makes absolutely no sense.

What I fear is that we are seeing more and more an industry that is less profitable to cover older adults or family, or an older working family, right now we have a very unfortunate situation in our country. In fact, in some cases we are paying for all of the initial research on these new lifesaving drugs in the billions of dollars.

We have been increasing the research through the National Institutes of Health every year. As of this year, I believe, we have doubled in the last 5 years instead of a new drug, a very important thing to do. It is something we have had support for on both sides of the aisle. It is very important that we be able to move forward on this funding. That is good.

We then have a situation in our country where we allow companies to take that information that you and I pay for, and begin to develop these new drugs. As they do that, as a further incentive, we allow them to take deductions on their taxes for the research.

We allow them to write off their advertising, marketing, and sales costs. We give them up to a 20-year patent. We say it is so expensive to create these new breakthrough drugs, that their name brand cannot be challenged and they cannot have competition for that formula for up to 20 years. So we protect that for them through a patent.

What risk do we have? Unfortunately, we have, as Americans, the highest prices in the world. That makes absolutely no sense.

What I fear is that we are seeing more and more an industry that is less focused on new breakthrough drugs and more focused on how to create more profit by slightly changing the drug to keep the patent going, making it a purple pill instead of a red pill, varying the box, promoting it, changing the name, keeping the patent going so there is no competition, and keep raising those prices right through the roof.

I was very interested in watching a program that Peter Jennings put forward on ABC a couple of weeks ago. I commend ABC and Peter Jennings for coming forward with something that was very comprehensive but, unfortunately, extremely disturbing. It indicated that you take the new drug that is not advertised, the new drugs that are going on the market, the new patents approved by FDA on what is called standard drugs—that is a category that means there is very little difference between the drug that was already there and the drug; 99 percent are not new, that is not new, that is not advertised.

That leads me to another very important issue, and that is the question of unadvertised brands. We know that at least half of the medications out today have another drug that is exactly the same or extremely close, that is just not advertised. It is called a generic. Why is it that for a unadvertised brand, they can cut their costs 35, 50, 75 percent. I have seen quotes of savings up to 90 percent. So there is a major effort now happening. I commend Blue Cross/Blue Shield of Michigan, which is working with our Chamber of Commerce and others, in a coalition, and I know it is happening across the country, to close the loopholes in the law.

Senator John McCain and Senator Chuck Schumer have a bill, which I am pleased to be cosponsoring, that would close the loopholes which right now allow the drug companies to stop these unadvertised brands from going on the
market. So we want to address that as well.

We want to have the opportunity to do away with excessive advertising, use more of the unadvertised brands and drop the prices for people. We also want to open the border to Canada where right now one can buy prescriptions at half the price.

The final thing on our agenda is to support those States that are creatively looking for ways and acting to lower prescription drug prices for their citizens. About 30 different States, including my home State of Michigan, are developing ways to lower prices, some very creatively.

In Maine, for example, they have developed a policy where if someone is doing business and they have a Medicaid contract for prescription drugs, then they are requiring that same discounted price be provided that is provided to the State through Medicaid to those who do not have insurance but are not on Medicaid. So they are using their clout as purchasers to be able to lower prices, they are being creative.

Not surprisingly a drug company lobby is suing all of the States that are doing that.

The final bill I have introduced is called the RX Flexibility for States bill, which would make it clear that States have a right to develop innovative programs to lower prices for their citizens and to use the Medicaid purchasing power as a part of that.

In conclusion, let me say we have a plan. As the Presiding Officer knows, because he is one of the key leaders on our Medicare plan, we have a Medicare plan. We have proposals to lower prices. We have a plan that will make sure our seniors and our disabled have what they need in lifesaving medicine. We will make sure small businesses can count on us to do something to lower prices for our farmers, our families.

I call upon colleagues to join as quickly as possible to put this plan in action. Again, I invite all citizens listening today to join www.fairdrugprices.org. Get involved. Put the people's voice in this debate. I know we will be able to get something done.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent I be allowed to use the remainder of the time in morning business. I see no one here from the minority.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REMEMBERING DR. BARNETT SLEPIAN AND CONDEMNING ANTI-ABORTION VIOLENCE

Mr. REID. Mr. President, after the attacks against our country on September 11th and with ongoing violence in the Middle East, we have taken steps to remind Americans that not all radicals and nuts are terrorists. And it is important to remember that not all terrorists are Arabs or Muslims.

Terrorism is not an ideology linked to any particular religion, race, or nationality. It is a tactic, a method deliberately chosen by those who reject peaceful means of promoting their cause and instead turn to violence. Obviously not all terrorists share the same goals—indeed, there are many cases where terrorists with diametrically opposed views are fighting against one another.

But terrorists seem to hold in common a belief that they are above the law and a common disregard for human life.

Unfortunately, we have homegrown terrorists right here in America:

People like Timothy McVeigh who bombed the Federal building in Oklahoma City and whoever is responsible for the anthrax attacks of last year.

America has also been plagued by numerous acts of violence by extremists in the anti-abortion movement. One of their victims was Barnett Slepian, a husband and a father of four. He was killed in his home in Buffalo, New York 3½ years ago shortly after returning from synagogue where he had gone to mourn his father's death.

Barnett Slepian was a gynecologist and obstetrician. He provided health care to women and delivered babies. And he also performed abortions at a downtown clinic, because he wanted to make sure that even poor women had access to safe, legal procedures. Because of this he was killed. Barnett Slepian's killer is not only a cold-blooded murderer, but should also be seen as a terrorist. The man police have identified as responsible for killing Dr. Slepian was recently extradited from France where he had fled. His name is James Kopp.

Kopp has been indicted for the shooting of a doctor in Canada and is a suspect in 3 other shootings of doctors who provided abortions. While Kopp alone might have pulled the trigger and fired the shot that killed Dr. Slepian, we have learned that he was part of an organized network of violent extremists, including a group that calls itself the Army of God. (Imagine that a group would invoke the Lord's name and believe that God sanctions their lawless violence. And this group of murderers professes a respect for life!)

This group and others similar to it have engaged in a long campaign of harassment, intimidation, and violence. Their crimes include kidnapping, bombing, arson, assault and murder. They have targeted health clinic employees, judges and other officials. And not only have they attacked and killed doctors, but they have also threatened the doctors' children. These groups hosted Web sites that listed the names, addresses, license plate numbers of doctors and others on hit lists and even put up pictures of their targets' family members and identify where their children catch the school bus.

Fortunately, the 9th Circuit Court of Appeals ruled just last month that targeting specific doctors in this way constitutes an illegal threat, and found those responsible for the Web sites in violation of the Freedom of Access to Clinic Entrances Act. I applaud the court's ruling, and I am pleased that the FACE legislation we passed has helped protect Americans. But we must remain vigilant and continue to take appropriate action against extremist groups from terrorizing victims.

Their intention is to intimidate and threaten, and sometimes they succeed as some doctors have given up their practice due to the emotional stress and constant fear they faced.

Dr. Slepian courageously endured threats for over a decade before he was murdered. We must have the courage to condemn the violent extremists in the anti-choice movement. Those who kill and commit other heinous acts to express their opposition to abortion do so with the support of many others who fund their crimes, aid and abet them, harbor fugitives. Others help create a climate that encourages this violence through their hateful speech or by remaining silent.

We cannot remain silent. We must say loudly and unequivocally that murder is wrong.

America is a nation of laws. I believe in following the law. You might not always agree with the law, but how it is interpreted. But that does not entitle you to willfully violate it without consequences. America instead offers you an opportunity to seek to change the law through peaceful means.

We express policy differences civilly through discourse and resolve them through the political process, not through violence. Here in the Senate we debate passionately, but in a manner of respect and civility, and attempt to persuade others of the merits of our positions.

Those who resort to violence are violating not only our laws but our American principles and values.

We in the Senate must identify them as terrorists. The American people must recognize them as terrorists. And law enforcement officials must treat them as terrorists—for that is what they are.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.
Mr. FEINGOLD. 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.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as if in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FEINGOLD. I thank the Chair.

Mr. FEINGOLD. Mr. President, I rise today to voice my concerns about the concentration of ownership in the radio and concert industry and its effect on consumers, artists, local businesses, and ticket prices.

I will be introducing legislation to address these concerns in the coming weeks, but wanted to make my colleagues aware of the seismic changes that have taken place in the radio and concert industries following the passage of the Telecommunications Act of 1996.

During the debate of the 1996 Telecommunications Act, I joined a number of my colleagues in opposing the deregulation of radio ownership rules because of the impacts on consumers, artists, and local radio stations.

Passage of this act was an unfortunate example of the influence of soft money in the political process. As my colleagues will recall, I have consistently said that this act was really in many ways bought and paid for by soft money. Everyone was at the table, except for the consumers.

In November, we will finally have rid the system of this loophole, but we must repair its damage.

In just 5 years since its passage, the effects of the Telecommunications Act have been far worse than we imagined. While I opposed this act because of its anticonsumer bias, I did not predict that one provision would have caused so much harm to a diverse range of interests.

The provision I am referring to is the elimination of the national radio ownership caps and relaxation of local ownership caps, which has triggered a wave of consolidation and caused harm to consumers, artists, concertgoers, local radio station owners, and promoters.

To put the changes of the 1996 act in perspective, let me help you compare them to other moves towards deregulation of radio ownership that began in 1984.

In 1984, there were limitations on the total number of radio stations that one company could own nationally and locally, and how long a company had to hold a station before being allowed to sell. That year, the ownership regulations were changed to allow one entity to own 12 AM stations, 12 FM stations and 12 television stations—an increase from 7 to each type a year earlier.

The Federal Communications Commission again loosened the ownership requirements in 1992 by allowing one

company to own up to two AM and two FM stations in a specific market, so long as they did not account for more than 25 percent of the total listening audience. The national ownership limits were also raised to 18 AM and 18 FM stations.

This change brings us to the seismic shift that shook up the radio and live concert industries across the country—the passage of the 1996 Telecommunications Act.

This legislation did not simply raise the national ownership limits on radio stations—it eliminated them altogether. It also dramatically altered the local radio station ownership limits through the implementation of a tiered ownership system which allowed a company to own more radio stations in the larger markets.

The highest range was in the largest markets, those with 45 stations or more. In those markets, one group could own up to eight stations, with no more than four AM or FM.

The strictest limit was in the smallest markets with less than 15 stations, where one entity could own five stations, but only three in any one service.

This change was not beneficial to consumers or local radio station owners or broadcasters. It simply led to a number of national super radio station corporations that now dominate the marketplace, and allegedly engage in anticompetitive business practices.

The concentration levels of radio station ownership, both across the United States and in most local markets, is staggering.

In 1996, prior to the passage of the Telecommunications Act, there were 5133 owners of radio stations. Today, for the contemporary hit radio/top 40 formats, four radio station groups—Chancellor, Clear Channel, Infinity, and Capstar—just four control access to 613 radio stations nationwide. For the country music format, the same four groups control access to 56 percent of the format’s 28 million listeners.

The concentration of ownership is even more startling when we look at radio station ownership in local markets.

Four radio station companies control nearly 80 percent of the New York Market. Three of these same four companies control 86 percent of the market share in Chicago. In my home State of Wisconsin, four companies own 86 percent of the market share in the Milwaukee radio market.

Let me repeat, four companies control 86 percent.

The list continues in almost every market across the United States. The concentration of radio station ownership by a few companies is mind boggling, and its effect on consumers, artists and others in the music industry is cause for concern.

Many of the same corporations that own multiple radio stations in a given market wield their power through their ownership of a number of businesses related to the music industry. For example, the Clear Channel Corporation owns over 1200 radio companies, more than 700,000 billboards, various promotion companies, and venues across the United States. Also, just three years ago, in 1999, Clear Channel bought SFX productions, the Nation’s largest promotion company.

A national group of organizations, recently joined together to voice many of the same concerns that I have heard from my constituents in Wisconsin—that the high levels of concentration are hurting the entire industry.

This coalition of artists, labor groups, small businesses, and radio companies recently released a joint statement that expressed a number of concerns about the levels of concentration and the anticompetitive practices.

These concerns included that a corporation that owns radio stations, promotion companies and venues has a conflict of interest in promoting its own concerts and tours on its radio stations over those of any competition.

They are also concerned about a corporation’s interest in limiting the promotion of other companies that are performing for other companies, performing at other venues or sponsored by other stations.

Mr. President, I ask unanimous consent that a joint statement by this coalition be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. Nelson of Nebraska). Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. FEINGOLD. After I began looking into the consolidation trends, I was taken aback by the diverse range of people that expressed concerns about the effects of concentration and consolidation.

Concertgoers talk all the time about higher ticket prices.

Broadcasters, artists, and others in Wisconsin and across the country have told me about reduced diversity and local input in the music industry. And local businesses have spoken about anticompetitive behaviors that have put them on an unfair playing field.

Following the passage of the Telecommunications Act, and the resulting vertical concentration, a number of trends have emerged. Ticket prices have gone through the roof, during the same period in which a few companies consolidated ownership of radio stations, promotion companies, venues, and advertising.

This chart compares ticket prices during the period of consolidation following the 1996 act with the preceding 5 year blocks of time. Before the passage of the 1996 act, ticket prices rose slightly faster than the Consumer Price Index.

For example, from 1991 to 1996, concert ticket prices grew by about 21 percent, compared to the consumer price index increase of about 15 percent. Following the Telecommunications Act of

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Mr. FEINGOLD. I am certain that they missed it.
Mr. REID. You have not mentioned that.
Mr. FEINGOLD. I am still checking into all the different aspects.
Mr. REID. You think you need a place to park, right?
Mr. FEINGOLD. I am sure they will get it if they haven't.

They are able to achieve this shake down, it is said, by establishing exclusive agreements with independent promoters that collect a fee in exchange for access to the airwaves.

I am very troubled by these allegations. If true, they mean that artists that can't, or don't, pay these independent promoters will not be able to get access to the airwaves. Artists should not be required to pay for access to the airwaves. I am continuing to investigate these allegations of a new shake down, but if they are true, this practice should be prohibited.

Finally, I am deeply disturbed about concerns that have been voiced by individuals and local businesses—promoters, radio station owners, and artists—that have been forced out of the business or have been put on an unfair playing field as result of the concentration of market power caused by the deregulation of the 1996 act. These are local promoters and businesses who have succeeded through hard work and perseverance in a competitive market. But when placed on an unfair playing field, they are being pushed out of the market.

Radio is a public medium and we must ensure that it serves the public good. The concentration of ownership, both in radio and the other facets of the concert industry, has caused great harm to people and businesses that have been involved and concerned about the radio and concert industry for generations.

It also harms the flow of creativity and ideas that artists seek to contribute to our society. This concentration does a disservice to our society at every level of the industry, and it must be addressed.

This is about the very freedom of radio as a medium. Radio is one of the most important media we have for exchanging ideas and expressing our creativity. But that free exchange of ideas is often interrupted if you want to get played, often it's going to cost you. And if you can't afford it, then you might not get heard at all.

Being able to hear a variety of voices is fundamental to a free society. Concentration in the radio industry is diminishing the number of voices that get heard. And that risks diminishing our freedom.

It isn't just about who is talented, and who deserves to be played. It is about a shake down, and that is just unacceptable for the industry, for the artist, and for all of us who listen.

While we took a step forward in reforming the campaign finance system earlier this year, we must fix the problems that the soft money loophole caused—including the gaping flaws of the Telecommunications Act that have hurt competition in the radio and concert industries.

In the coming weeks, I will be introducing legislation to address the concerns about concentration and anti-competitive practices that have resulted from the Telecommunications Act. I hope my colleagues will join me in this effort.

Mr. President, I just want to alert my colleagues to this trend, and we will introduce legislation to deal with it. I am convinced the complaints I have heard from a wide variety of Wisconsinites are the same concerns being raised in all the States in this country, and I look forward to submitting a proposal and a bill to my colleagues.

I yield the floor.

JOINT STATEMENT ON CURRENT ISSUES IN RADIO, MAY 24, 2002

We are a diverse coalition representing recording artists, record labels, merchants, songwriters, community broadcasters, consumers and citizens advocates. We urge the government to revise the payola rules to cover promotion to radio, to investigate the impact of radio consolidation on the music community and citizens and to work to protect non-commercial space on both the terrestrial radio bandwidth and the emerging webcasting models.

Radio is a public asset, not private property. Since 1934, the federal government, through the Federal Communications Commission, has overseen the regulation and protection of this public asset to create a communications medium that serves the public interest. Unlike other businesses, radio stations have acquired their distribution mechanism—the airwaves—without any expenditure of capital. The public owns the airwaves. Owners of broadcast stations were given access to the broadcast spectrum by the government for free. The qui pro quo for free use of the public bandwidth requires that broadcast stations serve the public interest in their local communities.

However, it has become clear that both recording artists and citizens are negatively impacted by legislation, regulatory interpretations and by a number of standardized industry practices that fail to serve the public interest. We call on the Federal Communications Commission (FCC) to undertake a comprehensive review of the following aspects of the radio industry that are anti-artist, anti-competition and anti-consumer. Further, we call on Congress to be vigilant in their oversight of the FCC to ensure the public interest is being upheld in regards to radio.

Specifically:

1. We request that payments made to radio stations which are designed to influence playlists (other than legitimate and reasonable promotional expenses) be prohibited, unless such payments are announced over the air, even when such intent is subtle and disguised. This includes payments made through independent radio promoters.

2. We request an investigation of the impact of recent unprecedented increases in radio ownership concentration on citizens and the music community.

3. We request an examination of the way vertical integration of ownership in broadcast and concert production and venues decreases fair market competition for artists, clubs and promotion companies.
Payola—the practice of paying money to people in exchange for playing a particular piece of music—has a long history in the music industry. The practice didn’t garner much public attention until the late 1950s and 1960s when rock and roll disc jockeys became increasingly influential figures who determined what music the public heard. Federal laws were passed starting in the 1960s that forbid the direct payment or compensation of disc jockeys or other radio staff in exchange for playing of certain records unless such payments were announced over the air.

The various laws and hearings from the 1960s–1970s muted the prominence of payola for a while. However, payola-like practices eventually resurfaced, but in a more indirect form. Standardized business practices now employ independent promoters. If independent radio promoters result in what we consider a de facto form of payola. Often, in an attempt to stay within the law, the payment is channeled through an independent radio station that acts as, for example, payment to receive first notice of the station’s playlist “adds.”

The new payola-like practices take two primary forms. Radio consolidation has created the first type. Radio station group owners establish exclusive arrangements with “independent promoters,” who then guarantee or otherwise influence the flow of money to the radio station group or individual station. In exchange for this payment, the radio station group agrees to give the independent promoter first notice of new songs added to its playlists each week. Stations in the group also tend to play mostly records that have been suggested by the independent promoter. As a result of the standardization of this practice, record companies and artists generally must pay the radio stations’ independent promoters if they want to be considered for airplay on those stations.

The second payola-like practice occurs after the music labels hire an “independent” radio promotions company to promote their records to specific stations for a fee. Reportedly, certain indie promoters use the labels’ money to pay the stations for playing songs on the air.

These practices result in “bottom line” programming decisions where questions of artistic merit and community responsiveness take a back seat to the desire of broadcast companies to gain additional revenue. As a result, many new and independent artists, as well as many established artists, are denied valuable airplay as the powerful radio station groups limit the diversity of music played on radio. Due to their sheer market power, radio station groups now have the ability to make or break a hit song.

With the increased leverage resulting from ownership consolidation, at least one group owner is considering charging labels for merely identifying the name of the artist and song played. The CEO of Clear Channel told the Los Angeles Times that it might sell song identification as a form of advertising. The CEO of another company declared that the music business is one of entertainment that has a great impact on the community and citizens, as it would make it difficult for radio listeners to identify new artists and purchase music. Once again, this payola-like practice might stifle both the diversity of new and independent artists to succeed.

We request that policies that protect the public interest be revised by the FCC so that it cannot be circumvented by any entity through the use of independent promoters. If the music played on the radio has less to do with the quality of the song than the economics of the business arrangement, how does this serve the needs of citizens? Also, when payments are not announced, isn’t the public misled into thinking that the station chooses which songs to broadcast based on merit?

Impact of Widespread Industry Consolidation

The federal government must also examine the impact of loosened ownership caps on the listening public. Until 1996, the Federal Communications Commission regulated ownership of radio stations such that no company could own more than two radio stations in any one market and no more than 40 stations nationwide. With the Telecommunications Act of 1996, the restrictions on the government ownership of radio stations evaporated. Now, radio groups own numerous stations in specific regions of the country and exercise unreasonable control over the airwaves. For example, in 1996, there were 5133 owners of radio stations. Today, for the Contemporary Hit Radio/Top 40 format, only four radio station groups—Chancellor, Clear Channel, Infinity and Capstar—control access to 63 percent of the format’s 41 million listeners nationwide. For the country format, the same four groups control access to 56 percent of the format’s 28 million listeners.

This consolidation has led to a new dynamic in the music industry. Radio station groups have centralized their decision-making about playlists and which new songs to add to the playlist. These centralized ownerships can exert control and even limited the diversity of music played on radio. Due to their sheer market power, radio station groups now have the ability to make or break a hit song.

Radio consolidation has also led to increased financial pressures felt by non-commercial stations. Since 1999, non-commercial radio, including explorations of classical, jazz, bluegrass and non-commercial radio, including exploring non-commercial radio, including exploring community radio stations and moving forward with full implementation of community broadcasting, could own no more than two radio stations in any one market and no more than 40 nationwide. For the country format, the same four groups control access to 56 percent of the format’s 28 million listeners.

CONCLUSION

We are deeply concerned about payola and payola-like practices, as well as the problems caused by radio station ownership consolidation, and the vertical integration of ownership within the business of music promotion and concert promoters. New rules must be written by the FCC to prohibit payments to radio stations from “independent promoters” unless such payments are announced. The FCC must seriously evaluate whether a radio station is even satisfying the current license requirement that sponsorship identification or disclosure must accompany any material that is broadcast in exchange for money, service, or anything else of value paid to a station, either directly or indirectly. The FCC should also consider whether radio stations are serving the public interest by contributing to localism, and independence in broadcasting. Finally, Congress must be vigilant to ensure that the FCC is uphold the public interest in all of these matters.

Respectfully submitted by the following organizations:

American Federation of Musicians (AFM), American Federation of Television and Radio Artists (APTRA), Association for Independent Music (AIM), Future of Music Coalition (FMC), Just Plain Folk, Nashville Songwriters Association International (NSAI), National Association of Recording Merchandisers (NARM), National Federation of Community Broadcasters and the University of Kentucky Broadcasting Academy, Recording Industry Association of America (RIAA).
CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

TERRORISM RISK INSURANCE ACT OF 2002

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2600, which the clerk will report.

The senior assistant bill clerk read as follows:

A bill (S. 2600) to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I want to shortly yield to my colleague, the chairman of the Banking Committee, for an opening statement he may wish to make on this bill.

Mr. President, just for the order of business, we are probably take a few minutes with some opening statements this morning on the bill, although I think over the months there has been a lot of knowledge about what is involved. I know the Presiding Officer has a decision and is interested in the subject matter. I think Senator Kyl may have an amendment he wants to offer fairly soon. Senator Gramm from Texas, obviously, is very familiar with the bill.

My hope is that colleagues who have amendments would, first of all, let us know what their amendments are. That would be helpful. I do know what many of them are already. There may be others. So I would ask staff of Members of both parties if they would get to the ranking member or the manager of the bill the amendments from both sides so everyone has an idea what we are looking at over today and possibly tomorrow and/or however long it takes to get this done.

My hope is they would be relevant amendments, that we would stick with the subject matter at hand rather than using this vehicle to bring up extraneous matters.

With that said, let me turn to the chairman of the full committee. I thank him. I will make a longer statement in a few minutes myself. But I certainly thank the majority leader, Senator Daschle. I want to thank the minority leader. Senator Gramm has been deeply involved.

Certainly the chairman of the committee, Senator Sarbanes, has been involved in this issue from the very beginning. Going back to last fall, when we tried to sort this out, he made a Herculean effort to bring it together.

When we do these things, it becomes difficult because we get 97 other people, as I mentioned yesterday, who all have something they want to add to the discussion and debate. As a result of that, it did not work out as well as we wanted initially, but I think a better effort may prevail as a result of more people being involved.

So while we have lost some time, I think the product we are putting before the Senate today is actually a stronger proposal.

With that, I will turn to my colleague from Maryland.

Mr. REID. Mr. President, I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I, on behalf of Senator Daschle, alert everyone, as Senator Dodd has done, that we want to have ample opportunity for everyone to offer any relevant amendments.

We think it is very important that if people believe this bill isn't what it should be, they have an opportunity to make it better. But I hope that everyone understands we are not going to wait forever to move on cloture if it appears we are stalling, trying to kill the bill, through amendment or otherwise.

There will be ample time for amendments, I repeat. But we are not going to stand around here for hours at a time in wasteful time. We have so much to do.

The last week before the July recess we have to spend on the Defense authorization bill. We have to do that. And that leaves us to complete everything else that needs to be done. So I say to everyone, if they have amendments, come over and offer them. Senator Sarbanes and Senator Dodd have worked on this legislation for months. We almost had it done before Christmas of last year. Senator Dodd and I have offered numerous unanimous consent requests so we could move forward on this more quickly.

So I repeat, for the third time, as I did when the Senate opened this morning, we want to have a bill that comes out of the Senate, and we are going to get one, one way or the other. We hope it would be done with people cooperating, trying to improve the legislation; when they offer an amendment, and it does not pass, or it is tabled, that they do not start crying and say: Well, I am going to kill the bill then.

This legislative process is what it is. This legislation is important. We are going to do everything we can to move it expeditiously.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I commend my colleague, Senator Dodd, for his leadership on this very important issue. I have joined with him in cosponsoring the legislation he has introduced, S. 2600, which is now before the body. I thank Senator Daschle and Senator Reid for moving the Senate to this issue, and we appreciate the willingness of the aisle to cooperate in that endeavor.

This bill is now open to amendment, and we hope as we move forward today, in short order, that those who have amendments will be offering them and that we will be able to consider them as we address the important issue contained in the legislation.

This legislation is designed to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism. It is obviously stems from the attacks of September 11 which raised a very large question about the future availability of property and casualty insurance for terrorism risk.

Shortly after those attacks, the administration, interacting with the Congress, put forward certain ideas for addressing this issue, and there has been an effort to try to deal with this issue over the intervening months. It is a difficult and complex question. A number of questions have been raised with respect to it. Hearings have been held by more than one committee in the Congress on both the House and the Senate side. The Banking Committee held hearings in late October in which the witnesses who appeared acknowledged the need and agreed that the future availability and affordability of terrorism insurance would be placed in jeopardy absent congressional action.

Many have outlined the potential negative consequences for the U.S. economy from the financial instability which would arise if terrorism insurance were not available.

That view is reflected in the congressional findings on which the Terrorism Insurance Act rests. Let me quote briefly from those findings. It is very important to lay the basis as to why we are trying to move this legislation. I quote:

Widespread financial market uncertainties have arisen following the terrorist attacks of September 11, 2001, including the absence of information from which financial institutions can make statistically valid estimates of the probability and the cost of future terrorist events and, therefore, the size, funding, and allocation of the risk of loss caused by such acts of terrorism.

A decision by property and casualty insurers to deal with such uncertainties, either by terminating property and casualty coverage for losses arising from terrorist events or by radically escalating premium coverage to compensate for risks of loss that are not readily predictable, could seriously hamper companies’ ability to engage in acquisition, and other business projects, and generate a dramatic increase in rents and otherwise suppress economic activity.

The findings go on to say:

The United States Government should provide temporary financial compensation to insurers in order to stabilize the U.S. economy in a time of national crisis, while the financial services industry develops the systems, mechanisms, products, and programs necessary to create a stable financial services market for private terrorism risk insurance.

That basically sets out the problem we are trying to address with this legislation.
There is recent evidence that property and casualty insurers are excluding terrorism coverage from the policies they write. The U.S. General Accounting Office recently analyzed the terrorism insurance market and found that, and I quote, "...the insurers of the economy—notably real estate and commercial lending—are beginning to experience difficulties because some properties and businesses are unable to find sufficient terrorism coverage, at any price."

Furthermore, where terrorism insurance is available, it is often expensive and significantly limited in both the amount and the scope of the coverage. The consequences of all of this is that you have a number of properties currently either uninsured or underinsured. And the potential consequences of this situation, if left unaddressed, are cause for serious concern. That is why we are here today.

In the event of another attack, a widespread lack of insurance coverage could hinder recovery efforts as property owners struggle to meet the costs of rebuilding without the support of insurance. The GAO noted, property owners ‘lack the ability to spread such risks among themselves the way insurers do,’ and, as a result, I am quoting the GAO:

...another terrorist attack similar to that experienced on September 11th could have significant economic effects on the marketplace and the public at large. These effects could include bankruptcies, layoffs, and loan defaults.

The GAO also found that even in the absence of further terrorist activity, even in the absence of it, inadequate insurance coverage could have an adverse effect on the willingness of lenders to finance new construction projects as well as the sale of existing property. Already the GAO found:

[some examples of large projects canceling or experiencing delays have surfaced with a lack of terrorism coverage being cited as a principal contributing factor.]

The GAO concluded that "the resulting economic drag could slow economic recovery and growth," even if the terrorist attack does not materialize.

So we have a problem either way. If the terrorist attack should materialize, the lack of coverage would markedly hinder recovery efforts. But even if it doesn’t, you have an economic drag taking place because of the unwillingness of lenders to finance new construction projects as well as the sale of existing projects.

Most people seem to believe that in time, the insurance industry will be able to underwrite the terrorist risk. But they don’t know, at this point, have the information on which to make those calculations. In the meantime, a short-term Federal backstop for terrorism insurance would help to stabilize the marketplace and forestall the potential negative consequences of the lack of coverage, I have just quoted, identified by the GAO.

The legislation we have before us, which Senator Dodd has brought to the body, works off of the proposals that were developed by the administration late last year. This Terrorism Risk Insurance Act establishes a shared compensation program that will split the cost of property and casualty claims from any act of terrorism during the next year between the Federal Government and the insurance industry.

The act would terminate at the end of the year, unless the Treasury Secretary determines that the program should be extended for an additional year. So it is, by its very definition, short term. The premise of it is that over that period of time the insurance industry will be able to develop the knowledge, the expertise, and the capability to underwrite the terrorist risk. Under this legislation, the definition of an act of terrorism will be uniform across the country. Insurance companies providing commercial property and casualty insurance are required to participate in the program; voluntary participation is also for an additional year.

In conclusion, I think the Congress needs to act on this issue. We run the risk of serious damage to our economy. I know there are many steps between now and final enactment of the legislation. We look forward to continuing to consult with the administration over this matter, as we have been doing. But, again, I commend Senator Dodd for his extraordinary work in crafting the bill that is before us and getting it before the Senate.

Yesterday some reference was made to some of the procedural problems that we encountered on the way to the floor. But through the actions of Senators Daschle and the concurrence of Senator Lott, we were able to bring the legislation before us, and the Senate now has an opportunity to address this very important issue. I hope we will now be able to consider amendments on their merits, dispose of them, and then move to final action on this legislation.

Again, I underscore the fine work that Senator Dodd has done on this legislation from the very beginning and, certainly, in bringing us to this point today.

I yield the floor.

Mr. DODD. Mr. President, I thank my colleague from Maryland very much. As I said a few moments ago, but for his involvement as a co-sponsor of the Banking Committee, we would not have been able to produce this product. He is an original sponsor, along with Senator SCHUMER and Senator CORZINE, of S. 2600. I would like to commend Senator BILL NELSON, my colleague from Florida, wants to be heard on the bill. Senator SCHUMER is here as well. I gather some others are ready to come over to offer the lead amendment. That will be the manner in which we will proceed. I know Senator SCHUMER has an ongoing Judiciary Committee meeting. I want to accommodate Members.

I will yield to my colleague from New York, with the indulgence of my colleague from Florida, to allow him to make opening comments, and then I will turn to Senator NELSON. I will make comments myself later so other Members can go back to the hearings, and then we will deal with the amendatory process.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Mr. President, I thank my colleague from Connecticut. I will have more to say in a general nature, and I will probably do that during the amendatory process.
First, I thank my chairman of the Banking Committee, Senator Sarbanes, as well as Senator Dodd, and he, in particular, for his leadership on this issue; it has been second to none.

We desperately need this bill. I also thank the Senate for its involvement. They have recognized the problem and have stepped to the plate. I recognize Senator Lott, as well as many of my colleagues on the other side who see this as a problem. I will make a couple of brief points.

First, we need—desperately in my city. We have example after example of projects not being prefinanced, several defaulting, and projects delayed or not undertaken because of the inability of people to get terrorism insurance. Lenders will not yield, will not give loans to projects of large economic agglomeration, whether they be in large cities or places such as Disneyworld, Disneyland, and Hooters Dam, unless we solve this problem. It has already begun to slow down the economy.

As the chairman said, construction workers are being laid off and construction jobs are declining. This is a sore on the economy. It is an open cut. Everybody doesn’t solve it, more blood comes out of the wound.

In my city and in my State, this is essential. Obviously, we were the nexus of the terrorist attack on 9-11. Insurance rates are going through the roof. Some of that is caused by the lack of terrorism insurance, but some of it is. It is vital that we solve this problem. Just the other day we got a call from a developer refinancing an average office tower on Third Avenue, with a $3 million increase in insurance. Another friend owns smaller properties. A third of his cashflow will be eaten up by insurance. He will not build or rehabilitate another building. So this is an issue of jobs. It is vital—vital to America. It is vital to our large cities, including New York.

I will make one final point, and I will make the balance of my points later. Each of us has other things that we would like to do. Each of us may have our own proposal—a different type of proposal. We could probably come up with a hundred solutions to this problem. I had a proposal supported by Secretary O’Neill that would have gone much further. It would be easy to stand here and say this solution is not the whole solution. Each of us may have other things that we would like to do. Each of us has other things that we would like to do. Each of us may have our own proposal—a different type of proposal. We could probably come up with a hundred solutions to this problem. I had a proposal supported by Secretary O’Neill that would have gone much further. It would be easy to stand here and say this solution is not the whole solution. Each of us may have other things that we would like to do. Each of us has other things that we would like to do.

If each of us pushes in our own direction, we will get no bill. The same is true for those who wish to make this a test of tort reform. Please, please, I plead with my colleagues, do not have this proposal not caused on the shoals of tort reform as so many other proposals. The Patients’ Bill of Rights comes to mind. Yes, we can have a fight on tort reform. There are strongly held views. It ought not be on this bill. I plead with the Senate.

I argue to my friends, anyone who tries to put the burden of tort reform on this proposal, this proposal’s shoul-

In conclusion, Mr. President, this is a test in our post 9-11 world: Can this body deal in a bipartisan way with that subject to our future even if the immediate impact is not seen? That relates to a whole lot of other issues as well. We have to be in a new frame of mind. We have to come together. This is crucial legislation, even though it is not on the lips of the average New Yorker and I urge my colleagues to support it.

I once again thank my colleague from Connecticut for his graciousness in yielding me a couple of moments. I will speak at length under the amendatory process. I thank him for his leadership, as well as our chairman and Senator Daschle for bringing this bill to the floor. It is at the 11th hour. It is not too late yet. It will be if we do not get this bill done in the next few days.

Mr. Chairman, I thank the White House for their interest, as well as our chairman and Senator Domenici for bringing this bill to the floor. It is at the 11th hour. It is not too late yet. It will be if we do not get this bill done in the next few days.

Mr. DODD. Why don’t I say 10 minutes? The Senator from New Jersey wants to be heard. I need to be heard. We have another Memetic who want to be heard. This will keep the process moving. If the Senator gets to 10 minutes and there is something that has to be said, I will add a few more minutes.

Mr. NELSON of Florida. Would the Senator like me to defer and let the Senator from New Jersey proceed? Once I get on a roll, I do not want to stop.

Mr. DODD. We do not want you to stop. We do not want you on too long a roll. I want a 10-minute roll.

Mr. NELSON of Florida. I understand the Senator wants to limit my roll, and I do not want you to limit my roll.

Mr. DODD. That is R-O-L-N, not R-O-L-E.

I yield 10 minutes to the Senator from Florida.

Mr. NELSON of Florida. Mr. President, something this important should not have a limit of 10 minutes. I accept the good nature of the prime sponsor of the bill. Basically, we are here talking about making insurance available and affordable. After September 11, we ended up having something that was neither: not available nor affordable. As a matter of fact, one only has to look to the front page of the Washington Post today. This is chronicling what has happened:

Insurance rates rise in DC. They soar downtown. Coverage more limited since September 11.

That is the headline from today’s Washington Post. It points out that in a nutshell there is a hikind of rates. One example given by the Washington Post is 160 percent. I can give innumerable examples—and I will in the course of this debate—of multiple hundreds of percent in rate hikes, and thus that brings us to this point of considering this legislation.

I want the sponsor of the bill, Senator Dodd, to listen. I want to direct something to him so that he knows my good faith.

I was sitting in the chair presiding last evening when this matter was brought up. A unanimous consent request was presented. Even though I was in the chair of the majority as a Senator from Florida I could have objected. I did not object because of the good faith he and I both have over the issue, that this is an issue that ought to be hashed out, it ought to be discussed, it ought to be thoroughly debated, and then the amendatory process can work its will in the Senate. It is in that atmosphere of good faith that I go forward.

I think the bill offered by the Senator from Connecticut is significantly flawed although I have ballast at good faith. It is trying to address a problem, and the problem is what we all know of September 11. But several things have happened since September 11 in the insurance marketplace. The market place has received big time into the insurance companies, reinsurance being an insurance for insurance companies against catastrophe; in this case, the terrorism risk.

The day after the aftermath of September 11, when we thought this was going to be a problem endemic to the whole country on any kind of commercial building or large structure that might be a target of terrorists, what we have found in the 8 or 9 months since is that the marketplace has responded. Reinsurance companies have provided the coverage, and the cost of that reinsurance for this kind of catastrophe has been coming down and down as more money has flowed into the marketplace. As a result, we do not have to kill a bumble bee with a big stinger with a sledgehammer. Instead of us having a bill that applies across the board, what we ought to be doing is rifleshooting where the problems are.

The Senator from New York just stated several examples. Certainly his constituency of Manhattan is a place where they are having difficulty getting insurance for tall buildings. So, too, would be large structures such as a football stadium in a baseball stadium. So, too, would be in my home State major identifiable high-visibility targets, such as the crowds that go to Disney World, major tourist attractions. Airports would clearly be another one, and I can go down the line.

That does not mean that every little commercial building, every medium-sized commercial building, every strip mall, every air-conditioned mall, in fact, cannot get terrorism insurance, because they can. The marketplace has responded.

We are coming to the floor with a bill that is fatally flawed because it is
overreaching the problem, and the problem is certain types of buildings that need coverage from terrorism.

Let’s examine that.

What kind of terrorism? Most insurance policies already have an exclusion for chemical, biological, and nuclear terrorism, what kinds of terrorism are we talking about that an insurance company would cover? We are talking about the use of conventional explosives; what we so horribly learned on September 11, which is the use of an airplane or the use of explosives as they tried to do in the early nineties at the basement of the World Trade Center. Those are the things about which we are talking.

When one takes the application of conventional explosives and applies it to commercial buildings, does the insurance marketplace today respond with the coverage? My contention is, yes, it is working at this. An insurance marketplace is not going to respond to chemical terrorism, biological terrorism, or nuclear terrorism because that is already exempted in most policies, with the result that the bill is overreaching because it is trying to apply to the whole country when, in fact, we have certain structures that are indeed threatened and the marketplace cannot respond to that. That is the first flaw of this bill.

The second flaw of this bill is that it contains no provision to protect consumers from rate gouging. It is not there. I am going to offer an amendment later on in the process that will limit the rate increases, that will have the Secretary of the Treasury, after consultation with the insurance commissioners of the 50 States, through their organization, the National Association of Insurance Commissioners, set a range of where the rates should be. This is very similar to what the insurance commissioners do in the 50 States on commercial policies. They set a range or a band of where that insurance rate premium ought to be.

The problem with terrorism insurance is, the insurance commissioners have difficulty figuring out what ought to be the rates, because the traditional way of determining if a rate is actuarially sound is by experience and by data, and we have had very little experience except for what happened on September 11. Therefore, that is why I am going to offer an amendment later on that is going to point out that the best way of determining what the increase in rates ought to be is by reference to the rate hikes. The fatal flaw is this bill overreaches and this bill does not have any provision to protect consumers for rate gouging.

I see the Presiding Officer is starting to twist in the seat as if my 10-minute time limit is up, which is exactly what I thought was going to happen, but I am just getting into my speech.

The PRESIDING OFFICER. The Senator is correct.

Mr. NELSON of Florida. I am going to need a little more time. I am going to need his input.

Mr. DODD. I say to the Senator, there are other Members who want to be heard.

Mr. NELSON of Florida. I do not want to hold up the Senator from New Jersey. Why don’t I stop and I will come back after he finishes his statement.

Mr. DODD. Fine. Any Senator can speak for as long as they want. There are no limits under this bill. If the Senator wants to talk, go ahead and talk. I am trying to move the process along. I know the Senator has an amendment.

Mr. NELSON of Florida. I have an amendment.

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Mr. NELSON of Florida. I have an amendment.


time to him with me still retaining the floor so I can finish my remarks. I am trying to be accommodating, but I still have not completed my remarks.

Mr. DODD. That is fine.

Mr. NELSON of Florida. With that understanding I yield to the Senator from New Jersey.

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

The Senator from New Jersey.

Mr. CORZINE. Mr. President, I rise today to join my colleagues in support of S. 2600.

Let me begin, by applauding the majority leader and Senator DODD for exerting the necessary leadership, and doing what needed to be done to bring this bill to the floor. Now, it is time for all Members of the Senate to recognize the urgent need before us, and move to act on this bill.

The tragic events of September 11 highlighted the enormous exposure that insurance companies would face in the event of future terrorist attacks.

In this time, when we receive different terrorist alerts almost weekly, and we are faced with the uncertain nature of future attacks, many insurers and reinsurance firms have concluded that terrorism is no longer an insurable risk.

As a result, last year, many insurers announced that they would no longer provide coverage for terrorism-related losses. Without access to reinsurance, primary insurance companies now find themselves subject to the full exposure of terrorism risk.

This issue is not new. Many of us first learned about them in October of last year. And it left many concerned. While we all knew that it would be impossible to predict the true impact of the lack of terrorism insurance on our Nation’s economy, there was overwhelming agreement among scholars, economists, and participants in our economy—that this issue had the potential to pose real problems in some economic sectors.

The threat that loomed led to hearings in the Senate Banking Committee, and it fueled discussion among Members in the Senate about how to best craft a solution before the end of last year when 70 percent of reinsurance contracts were up for renewal.

There was considerable debate about how, and what, that response should be. Was it the proper role of the Federal Government in ensuring that commercial insurers could provide terrorism insurance, knowing that their ability to cede some of that risk to reinsurers had all but vanished.

Many Members of this body, people like Senator DODD, Senator SARBANES, Senator GRAMM of Texas, Senator HOLINGS, Senator SCHUMER, Senator ENZI, Senator NELSON of Florida and myself put forth ideas on how to accomplish that.

And let’s be clear, there was a great deal of difference in the ways members thought we should approach this problem. But behind those differences, there was a singular purpose to solve the problem.

I think we all were determined not to engage in partisan politics or to undermine a possible solution by promoting pet policy priorities. Everyone I just mentioned did not agree on every aspect of the product that was eventually produced. I certainly didn’t.

But, ultimately, everyone agreed that we should act to bring a proposal to the floor, with an expectation that amendments be offered, including amendments that dealt with tort and liability issues.

The proposal that was presented late last year—late last year was not simply the result of a bunch of Democrats getting in a room and saying “Voila.” It was the result of serious discussion and negotiations between Democrats and Republicans and there was considerable input from the State insurance commissioners, this administration and the Treasury Department.

In fact, the unprecedented proviso of this bill had more than input of these folks it had their support. The bill we are debating today is that same proposal.

Now we have an opportunity to respond to this growing emergency.

If we fail to act, or if this bill becomes stalled by those seeking to pile their pet policy priorities onto a measure that at its core seeks to provide relief to American businesses, then our economy is in peril.

Every day that passes without our action, leaves American businesses, development projects, workers and vital infrastructure exposed to potentially devastating losses, and that’s a real threat to our economic recovery.

In fact, the lack of terrorism insurance coverage has already begun to create a drag on commercial lending and business activity. In April, the Federal Reserve Board surveyed commercial mortgage-backed securities (CMBS) market.

The report also states that 20 percent of banks reported weaker demand for finance [development] projects of $100 million or more, and some investors are reluctant to buy bonds tied to individual office towers, apartment building and shopping malls.

And a report issued last month by the Joint Economic Committee offers data illustrating the economic drag that higher insurance costs, for terrorism and non-terrorism related coverage, is having on American business.

The report calls these factors “a one-two punch” that is proving harmful to America’s economy.

That report cites data from the Commercial Insurance Market Index, which indicates that premiums for commercial insurance policies have increased by 30 percent in first quarter of this year. And those increased costs are in addition to the increased costs of obtaining terrorism insurance, a real cost burden to our businesses.

The report cites the example of a building in my state, New Jersey, which prior to 9/11 had an $80 million insurance policy that included terrorism coverage at a cost of $60,000. The new policy for that building has a premium of $490,000 for property-casualty insurance and another $400,000 just for terrorism insurance.

That’s a dramatic increase for the same coverage. And that building’s lucky at least they got fairly comprehensive coverage.

Many others find themselves facing similar cost increases for half the coverage.

In either case, these costs undermine productivity and any growth or investment opportunities that the owners could possibly take on. And it is a nationwide trend.

I want to reiterate that point. Because this is more than a Northeast, an
urban, or a “big city” issue. The inability of business and organizations to obtain terrorism insurance coverage is truly a national problem.

Consider this:
In Cleveland, the insurer for the Cleveland School District has notified the district that its new policy will exclude losses due to terrorism.

In Seattle, the Seattle Mariners baseball team had difficulty securing $1 million in terrorism insurance coverage for their $517 million stadium.

The St. Louis Art Museum’s insurer informed that museum that it would no longer be covered for terrorism losses. That could well prevent touring shows, and undermine tourism in that city.

And a collection of Midwestern airports reported that their aviation liability premium increased close to 300 percent post 9/11 and those policies excluded terrorism losses.

Last year, when this issue first surfaced, we tried to move a bill forward, but that process didn’t take hold. Many members believed this issue wasn’t a problem for them that it wasn’t in their backyards.

We know better than that now. At least I hope we all do.

The impact of the lack of terrorism insurance is being felt in cities and towns all throughout America. And so I say to all my colleagues this is an issue that affects your state and your constituents.

If there’s a port in your state, you are affected. If there’s a bridge or a tunnel in your state, you are affected. If you have an airport or a rail system in your state, you are affected. If you’ve got an NFL, NBA, NHL or Major League Baseball stadium or arena in your State, you’re affected. If you’ve got a college football stadium in your State, where tens of thousands of people gather on Saturdays to root for their team and sing their alma mater, you’re affected.

It is time to stop the stalling, stop the games and time for us to pass an interim federal backstop to ensure against future acts of terrorism.

It is time for us to pass this bill, and I strongly urge my colleagues to support it.

I thank the Senator from Connecticut for his efforts and persistence in this endeavor. I look forward to helping him as this process goes forward.

Again, I thank my colleague from Florida for being generous and respectful, giving me the opportunity to present my views. Mr. NELSON of Florida. Of course, the Senator from New Jersey is one of the great new bright lights of this body. What a privilege it is for me to serve with him. What a privilege it is to have the value of his opinion.

I agree with everything he said. Now the question is, how do we get from here to there, to protect everybody and protect the consumer as well from being gouged with the price hikes, because even though the people who pay these premiums in fact are the owners of these large commercial structures, guess what happens when they have to pay the increase of a premium hike. That is paid by the insurers.

That is the case I am making, that we have to have this insurance available—and we are in large part doing that by the mechanism of this bill, so the Federal Government provides the insurance for the risk to the time of 80 percent or 90 percent. But in the process of what we are going to charge for the portion that is covered by the insurance company, that is going to be passed on to the consumers.

Ultimately, I will offer an amendment that will call for a range, as determined by the Secretary of the Treasury, as to what can be charged, where that premium, going into an insurance company, will be separated for accounting purposes, it will be segregated and reviewed for all the other premiums for a slip and fall and dog bites and all kinds of liabilities. It will be separate, so it will be under the glare of the full light of day as to how much premium is there, and the Secretary of the Treasury, with the advice of the National Association of Insurance Commissioners, can determine what is a range—not a specific amount, but what is a range that is fair and affordable. That is my goal.

The only effective way to guarantee that the rates will be stabilized under this circumstance is to federally regulate the premium rate for the risk of terrorism. Why Federal? Because the 50 insurance commissioners do not have the data to do this. And the Federal Government is picking up the biggest part of the risk under this bill. Remember, it is only the risk, basically, from conventional kinds of terrorism because the biological, nuclear, terrorism is exempt from most commercial insurance policies. So that is not a risk we are going to be protecting.

The Secretary of the Treasury is in the best position to consult with the actuaries and to determine the actual financial risk insurers would assume under the bill. If the Congress commits billions of taxpayer dollars and mandates no real rate protection, we will have shirked our responsibility to the taxpayers and insurers.

We gnash our teeth around here on politically charged issues such as raising taxes. Let me tell you, as an insurance commissioner for 6 years, there is an issue that is more explosive to the consuming public I share the raising of the taxes, and that is the raising of their insurance premiums.

So I call to the attention of the Senate that as you consider a bill such as this that has no mechanism by which to stop those rate hikes, you had better think twice, and hopefully you will think very favorably about the amendment I will be offering later on.

We can only rely on the States to monitor rates. State insurance commissioners traditionally do that. That has been carved out under Federal law as a regulation of insurance reserved to the States. State insurance commissioners in fact, however, have not had the opportunity to judge the data nor have they had the experience of the data with which to be able to judge these rates. On the contrary, in some States they do not regulate the rates of commercial policies at all. In other States, such as my State of Connecticut, the State of Florida Department of Insurance sets a range of the commercial policies’ rates, as to what they may be, without the approval of the Department of Insurance.

The PRESIDING OFFICER (Mr. JOHNSON). The time of the Senator has expired.

Mr. NELSON of Florida. I will conclude my opening remarks. I look forward to the debate. I thank the Senator from Connecticut for bringing this issue to the floor today. I thank the Senate for this opportunity to be heard on a most important issue, important not only to the businesses of this country but to the consumers of this country as well.

Mr. CARNAHAN. Mr. President, I strongly support the Terrorism Risk Insurance Act.

The September 11 tragedy has affected our Nation in innumerable ways. One of the economic impacts has been that the availability and affordability of terrorism insurance has been severely limited.

Uncertainty in the market is freezing commercial lending, preventing real estate transactions from going forward, and slowing various construction projects. Therefore I believe that we should move quickly to enact a federal terrorism insurance backstop.

I have heard from businesses throughout Missouri—from various segments of our economy—that are being adversely impacted by current market conditions. But the lack of terrorism insurance is hurting working families as well.

As President Bush pointed out, “If people can’t get terrorism insurance on a construction project, they’re not going to build a project, and if they’re not going to build a project, then someone’s not working.’’

This legislation will promote investment and provide the certainty necessary to integrate commercial lending activities.

I have supported each of the unanimous consent requests that have been offered since December to bring a terrorism insurance bill before the Senate.

I am pleased that we have finally been able to take up this bill. This meaningful Federal backstop is long overdue, and I hope that we can enact it expeditiously.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I see my friend from Kentucky. I will take a few minutes to
make an opening statement. I see he is here. I do not want to delay him any longer. I will truncate my remarks and then my anticipation is we will turn to the Senator from Kentucky to offer a amendment to get the process going.

Let me take a few minutes, if I may. We have now heard from a number of my colleagues. I appreciate the comments of my colleagues, particularly those of Senators SARBANES, CORZINE, and SCHUMER. I ask unanimous consent the junior Senator from New York, Mrs. CLINTON, be added as a cosponsor of this bill as well.

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

Mr. DODD. I thank the leadership for their efforts on this bill. This is a complicated area of law. This is a thankless task. When you get involved in something such as terrorism insurance, there are other matters that may attract the attention of the American public, but this is a subject matter that can glaze over the eyes of even the most determined listener, when you get into the arcane world of insurance, particularly of terrorism insurance, the reinsurance industry, the commercial loan and lending practices, and how it affects the market at large.

I beg the indulgence of our colleagues when we go through this, to understand what we have tried to do here in as much a bipartisan fashion as possible, with the advice and consultation of organizations, from the AFI/CIO to major banks and lending institutions, insurance companies, the Department of the Treasury, and others in crafting something that will get us out of this particular situation.

Let me just preface my remarks by saying this is a problem. I know there may be some who will argue this is not an issue. It is a massive issue and a growing one. I wish it were otherwise.

I wish this were not the case. But the data that is coming in indicates that we have a major blockage, if you will, in the normal flow of commerce, and that is the inability to acquire terrorism insurance, which has a very negative impact when it comes to lending institutions putting their resources on the table, where the exposure could be significant.

Just to put it in some perspective for people who may have the notion of the casualty and property loss—I am obviously not going to talk about the loss that goes beyond that we can put a dollar sign on. But for the loss to which you can put a dollar sign in the property and casualty area on September 11, the estimates run no less than $50 billion, just in property and casualty.

If you start adding others, obviously the numbers go up. To give you some idea, if you had a September 11-like event somewhere in the United States and an accumulation of events like September 11, the availability of resources today to pay the property and casualty losses is about 20 percent of that number. That is the situation we are in.

You can understand, while people may wish that it somehow were done by just the Federal Government writing a check and the people providing the coverage. But in a free market you have to encourage or induce people to stay involved. There is no requirement under law that they provide this kind of coverage.

The idea of how we can keep commerce moving, and major construction programs underway—by the way, based on the accumulated evidence we have, most every State can demonstrate some serious problem they have in a major commercial or real estate development.

This morning's newspaper headlines in the Washington Post that my colleague from Florida has raised, I think, point out the problem we are facing. I will talk about properties in the District of Columbia. Obviously, the attack on the Pentagon on September 11, and the news the other day about so-called “dirty” bombs that might have been used—and I gather this was some shaky information, but that aside for a second—the Nation's Capital certainly is a target of opportunity.

We see rates already going up for properties located in the District of Columbia. That is the subject matter of the Washington Post article this morning. But for the Pentagon itself, there is having a difficult time getting coverage for workman's compensation, and the National Geographic building has a similar problem, and there are similar problems around the city.

I will not go into all of the details in the article, suffice it to say that this is a significant story and my colleagues ought to take a look at it. It highlights some of the difficulties we are facing.

This is not a perfect piece of legislation. Obviously, many of us might have written this somewhat differently than proposed. But, obviously, in a body like this with 100 Members, with a lot of different ideas and thoughts, you try to come together with what you can to make some sense and move the product forward.

There are differences of opinion on the substance of this legislation. We are going to hear some of them raised with the amendments that will be brought in the debate. My view now is that the substance of this legislation will prevail.

The provisions that deal with the creation of a temporary Federal backstop for terrorism insurance represent a very hardcore compromise negotiated with Senator Gramm of Texas, Senator SARBANES, Senator SCHUMER, myself, Senator ENZI, as well as the State insurance regulators, White House, and the Treasury Department. This is a modified version what we agreed to last fall. It is a compromise, and I am not a sponsor of the bill which I introduced for the reason I am sure he will explain himself when he comes to the floor.

There is a lot in this bill that is very similar to what we worked out last fall, but it would not move along at that time, for reasons I will not bother to go into again.

Who is supporting what we are trying to do?

I am troubled by our delay in enacting this legislation because of the tremendous demand that we act and act precipitously. There is a bipartisan letter from 18 Governors from across the country representing every region of the country, which I ask unanimous consent to be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

APRIL 15, 2002.

Hon. Tom Daschle,
Senate Majority Leader, Capitol Building, Washington, DC.

Hon. Trent Lott,
Senate Republican Leader, Capitol Building, Washington, DC.

Hon. Dennis Hastert,
Speaker of the House of Representatives, Capitol Building, Washington, DC.

Hon. Richard Gephardt,
House Democratic Leader, Capitol Building, Washington, DC.

DEAR CONGRESSIONAL LEADERS: As a result of the events of September 11th, the nation’s property and casualty insurance companies have or will pay out losses that will exceed $56 billion dollars. Since the first of January, many insurance companies, self-insurers and states have been faced with a situation where they are unable to spread the risk that they have because of the inability of the reinsurance protection. In the event of another major attack, some companies or perhaps a segment of the industry would face insolvency. While most states have approved a limited exclusion for terrorism with a $25 million deductible, exclusions for workers’ compensation coverage are not permitted by statute in any state. The present situation poses a grave risk to the solvency of the insurance industry, state insurance facilities, economic development initiatives, and the ability of our states to recover from impacts of the September 11th attacks.

In the months after the attack on our nation, legislation passed and was introduced in the Senate to create a backstop for the Insurance industry so they could continue to provide protection to their customers. The Administration has also supported this concept. Currently, there is broad bi-partisan agreement for providing an Insurance backstop. Governors believe this is an important goal that should be inhibited by other issues.

Since late December, the lack of a financial backstop has started to ripple through the economy and will continue to do so. This will further impact the ability of the economy to recover from the current recession.

As Governors, we are facing many critical issues resulting from the September 11th crisis. The emerging problem in insurance coverage only serves to exacerbate our recovery efforts. In view of this, we, the undersigned Governors, respectfully urge the Congress to quickly complete its work on the terrorism reinsurance legislation in order to return stability to U.S. insurance markets.

Sincerely,

Jim Hodges, Governor, South Carolina; Mike Johanns, Governor, Nebraska; Paul E. Patton, Governor, Kentucky; Judy Martz, Governor, Montana; Don Siegelman, Governor, Alabama; Bob Holden, Governor, Missouri; Mark R.
Mr. DODD. Mr. President, we have had repeated letters from the President, Secretary O'Neill, and others in the administration which certainly point out that there being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE, Washington, DC, April 22, 2002.

Hon. TOM DASCHLE, Majority Leader, Senate.

Hon. TRENT LOTT, Minority Leader, Senate.

DEAR MAJORITY LEADER DASCHLE AND MINORITY LEADER LOTT: We are writing to urge prompt Senate passage of short-term, terrorism risk insurance legislation that will stabilize the insurance market for policyholders and provide financial security in the event of future terrorist acts. As you both know, members of this body quickly responded with a legislative package in the wake of September 11 to ensure the continued availability of insurance for terrorist-related acts. The package provided a short-term, financial backstop so that private markets for terrorism coverage could be re-established.

While the House passed H.R. 3210, the “Terrorism Risk Protection Act” last year, the Senate was unable to bring a legislative package to the floor before our adjournment in December. Since that time, we have heard from the financial services industry, the building and construction sectors, the labor community, small businesses, and other impacted parties that there is currently either no insurance against acts of terrorism or inadequate levels of insurance. This problem is having a disastrous impact on our economy, including the construction of new real estate projects. A host of additional parties, including hotels, convention centers, hospitals, local municipalities, and professional sports teams are also pressing for needed action. Particularly troubling is the evidence that insurers cannot provide needed workers compensation coverage because there are large aggregations of individuals. As you know, these claims are bolstered by a recently released study by the General Accounting Office and by testimony provided to the Senate Committee on Oversight.

The Senate should be proud of its work following the tragic events of September 11. We passed numerous pieces of legislation to address the security of our country and the viability of key sectors of our economy. We should also take steps to prevent severe economic dislocation and should certainly not fall short in helping to ensure that employers and their workers have adequate levels of insurance in the event of additional terrorist acts.

We urge you to bring a terrorism insurance bill to the Senate floor expeditiously.

Sincerely,

Judd Gregg; Jim Bunning; John Breaux; E. Benjamin Nelson; Dick Lugar; Jesse Helms; Wayne Allard; Mike DeWine; Susan Collins; Mike Enzi; Jack Reed; George V. Voinovich; Debbie Stabenow; Mary L. Landrieu; Zell Miller; Max Cleland; Dianne Feinstein; Lincoln Chafee; Chuck Hagel; John Ensign; Olympia Snowe; John F. Kerry; Ted Kennedy; Orrin Hatch; Daniel K. Inouye; Kay Bailey; Joe Lieberman; Jon Corzine.

Mr. DODD. Mr. President, we have had repeated letters from the President, Secretary O'Neill, and others in the administration which certainly point out that there is currently either no insurance against acts of terrorism or inadequate levels of insurance. This problem is having a disastrous impact on our economy, including the construction of new real estate projects. A host of additional parties, including hotels, convention centers, hospitals, local municipalities, and professional sports teams are also pressing for needed action. Particularly troubling is the evidence that insurers cannot provide needed workers compensation coverage because there are large aggregations of individuals. As you know, these claims are bolstered by a recently released study by the General Accounting Office and by testimony provided to the Senate Committee on Oversight.

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We urge you to bring a terrorism insurance bill to the Senate floor expeditiously.

Sincerely,

Judd Gregg; Jim Bunning; John Breaux; E. Benjamin Nelson; Dick Lugar; Jesse Helms; Wayne Allard; Mike DeWine; Susan Collins; Mike Enzi; Jack Reed; George V. Voinovich; Debbie Stabenow; Mary L. Landrieu; Zell Miller; Max Cleland; Dianne Feinstein; Lincoln Chafee; Chuck Hagel; John Ensign; Olympia Snowe; John F. Kerry; Ted Kennedy; Orrin Hatch; Daniel K. Inouye; Kay Bailey; Joe Lieberman; Jon Corzine.

Mr. DODD. Mr. President, we have had repeated letters from the President, Secretary O'Neill, and others in the administration which certainly point out that there is currently either no insurance against acts of terrorism or inadequate levels of insurance. This problem is having a disastrous impact on our economy, including the construction of new real estate projects. A host of additional parties, including hotels, convention centers, hospitals, local municipalities, and professional sports teams are also pressing for needed action. Particularly troubling is the evidence that insurers cannot provide needed workers compensation coverage because there are large aggregations of individuals. As you know, these claims are bolstered by a recently released study by the General Accounting Office and by testimony provided to the Senate Committee on Oversight.

The Senate should be proud of its work following the tragic events of September 11. We passed numerous pieces of legislation to address the security of our country and the viability of key sectors of our economy. We should also take steps to prevent severe economic dislocation and should certainly not fall short in helping to ensure that employers and their workers have adequate levels of insurance in the event of additional terrorist acts.

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10 percent in the first quarter is already down in that area. I am not making the numbers up to highlight the significance of what we are talking about. George Washington University’s downtown campus three blocks from the White House has lost the school’s former $1 billion property and casualty policy in half, and its premiums have been raised 160 percent, and advise that renewing terrorism coverage would cost 15 times more. That is what we are up against here. I call it. Obviously, there is no great wisdom here to attack the insurance industry. That is a pretty safe bet out there politically.

But the fact is, when you end up with institutions like George Washington University, the National Geographic, private sector people here in the Nation’s Capital, it would be difficult to say we are going to go out and cover this after we had a $50 billion loss, to just jump back in somehow; and for people the way does not raise your premiums to do it, and you better have the resources to pay for it. I do not know where people acquired their math knowledge, but this does not work out, unfortunately.

So I think it is fair to say to get this industry back in because we cannot require them to do it. So we have come up with a backstop idea that says: Look, the first $10 billion of losses you are on the hook for. When it gets beyond $10 billion, we are going to work out a system that allows us to help in that kind of cost, for 2 years, by the way, with a sunset provision.

Some would like it longer. I think we could make a good case for it being longer because it is awfully difficult, with some major real estate development going on that has more than a 2-year lifespan. But I am not sure how much this institution will tolerate in terms of time, so it has to be abbreviated to some extent. Then, hopefully, as the market develops, the cost out can be calculated, and we can get the Federal Government out of this altogether.

I know of no one who wants to turn the Secretary of the Treasury into an insurance regulator. I am afraid that is what some of my colleagues are suggesting. That is not what this is about. That is a separate debate. Maybe some day we are going to have a debate around here that says the Federal Government may become an insurance company. That is a debate, but I don’t think that is the debate we want to have here today.

The debate here today is whether or not we are going to set up a program that is going to cause the flow of commerce to get reignited in areas where we have a significant stall.

Let me stay to my colleagues—and my colleague from Florida raises the issue—that if, then, we require that there be an accounting here separating out the premiums collected for terrorism insurance from the normal course of business. We do not go as far as my colleague from Florida would like, but in our bill that we have proposed there is an accounting requirement that says you must at least have a separate accounting for the premiums collected for terrorism insurance.

So there are several of projects that I could talk about that go all across the country that highlight everything from the Golden Gate Bridge to the Dolphin Stadium in Florida that are having problems—the United Jewish Appeal, the Hyatt Corporation, the Cleveland Municipal School District, the University of Nevada, the Cleveland Clinic, the University, the National Geographic, etc. The list goes on and on and on.

Again, we are not making these stories up. This is the evidence we are receiving from across the country, that there is a problem, and it is a growing one. We probably should have acted earlier, but I don’t think it is too late for us to be moving forward. So that is the background of it. Every perspective homeowner, of course, needs insurance to obtain a mortgage from a bank. Similarly, industry as diverse as commercial real estate, shipping, construction, manufacturing, transportation, insurance to obtain credit loans and investments necessary for their business operations. Additionally, the creation of new construction projects require business loans. I think most people understand that.

If you ever bought a home, you know you don’t get the mortgage unless you have insurance. That is what the law requires. That is just as true in the commercial areas. So if there isn’t insurance available, the banks are not going to lend you money to buy a house. Maybe some people can buy a house by just writing out a check. Most Americans need a mortgage. And most Americans understand that the banks generally have some insurance on that property to cover their potential loss. So that is why you have to be able to get that.

That is true in commercial areas as well. If you can’t get the insurance, then the banks don’t lend you the money to build the projects, and people lose jobs. Those are the dots you connect, and that is what is going on all across the country as one of the effects of 9–11. It is a more complicated subject matter, but it is a serious one that the banks and everyone involved in the industry has pointed out. The Treasury, organized labor, and others have highlighted.

Some critics will argue, Why should we do anything to help the insurance industry? Quickly, let me add, this is not about the financial health of the insurance industry at all. It is about the financial well-being of nearly every individual and company in America that requires this industry to be healthy enough to be in business. If you end up being put out of business because you don’t have the resources, your solvency gets wiped out, as it would be today with a 9–11-like event. As I mentioned earlier, there are only about 20 percent of the resources to cover a similar kind of event that occurred 9 months ago on the 11th of September. So this is not so much about their health and well-being as it is those who rely on this industry for their own health and well-being.

As I said, the industry is paying off losses from the September 11 attacks estimated to be roughly $50 billion. The industry has made clear that despite this unprecedented loss, it remains very strong and solvent.

The question that many will ask is why we need to help an industry that is financially sound? And I think I have laid that out. The answer is we are not protecting insurance companies, we are protecting policy owners and businesses and workers.

This legislation makes sense because it is based on three principles that must be included in any bill that reaches the President’s desk: the Federal Government as soon as possible.

First, it makes the American taxpayer the insurer of last resort. We could do what we did in World War II. In World War II, the Federal Government insured everything. We just paid all the claims. I don’t need to tell you that we found ourselves in a tremendous mess today. But that is a point of view: Just let the Federal Government pick up the claims of this stuff, and don’t worry about having a private sector insurance industry being involved at all. But I don’t think Americans think that is a wise solution necessarily given the potential exposure we have. So I think it makes sense to have the industry be the ones that are going to be on the front lines responsible to do what is best, to calculate the risk, to assess premiums, to pay claims. I don’t necessarily believe we want to set up another agency of Government, maybe under homeland security. Now that we are reorganizing Government, maybe someone would like to add a branch to become an insurance company. I don’t think so.

Secondly, the legislation should promote competition in the current insurance marketplace. Competition is the best way to ensure that the private marketplace assumes the entire responsibility for insurance against the risk of terrorism without any direct Government role as soon as possible. That is why this bill has the very short lifespan we are talking about. This is temporary. It is not giving a permanent handout. It is setting up a very short lifespan.

Right now it is 24 months in the bill. And I think there will be suggestions to extend that, which may have some merit, by the way, I suggest, to those who may be offering them. But it is going to be limited, in any case.

Thirdly, the legislation ensures that all consumers and businesses can continue to purchase affordable coverage for terrorism-related claims.

Without action, consumers would be unable to get insurance, or insurance that is available would be totally unaffordable for them.
Very simply, and lastly, I will just explain briefly—Senator SARBANES has done this already—but let me just take another minute or so for those who may not have heard his comments to briefly describe how S. 2600 actually works.

It will provide Federal terrorism insurance in the event of another significant terrorist attack. This legislation is designed to maximize private sector involvement and minimize the Federal role. The bill does not create a new Federal regulator; rather, it promotes the authority of existing private sector mechanisms.

The Federal backstop is temporary, lasting only 1 year unless extended for an additional year by the Secretary of the Treasury.

The bill envisions that the private sector alone would respond to small-scale attacks, such as car bombs, arson fires, and the like.

The Government intervention only occurs in losses in excess of a specific trigger. The amount each insurance company must pay before the Federal participation begins is determined by a statutory formula based on each company’s market share. Largely compare through the resulting individual company retentions.

Individual company retentions are calculated based on each company’s market share of $10 billion in the first year, and $15 billion in the second year if the proposal is extended, meaning that large companies would sustain hundreds of millions of dollars in losses before the backstop is triggered.

In addition, once the backstop is triggered, each insurance company remains responsible for 10 to 20 percent of every claim dollar paid.

Lastly, I would say as well, regarding the States, we require that these actions be brought in Federal court, that there be a venue that is closer to where the assets and, of course, to the policyholder to make sure their rates are not too high and coverage will be there, if needed. We make it very clear in this bill that we want to keep the role of the State insurance commissioner viable.

We don’t want to get in the business of setting up some massive new government program with a new regulator with a whole bunch of new rules established at the Federal level to start regulating this industry. That is a debate that happened down the road, but today is not the day. This is not the place or time for that debate. This is an emergency. It should have been dealt with a long time ago.

My hope is that my colleagues will offer their amendments, we will get through this, and vote it up or down. Maybe our colleagues will decide this bill is not necessary; they don’t want to be a part of it. Then we ought to say so. Then end the debate entirely and go about our business. I suspect that a majority of our colleagues think this has value and is important. My hope is we can get it done sooner rather than later.

I turn to my colleague from Kentucky, Mr. MCCONNELL. I thank my friend from Connecticut. I certainly agree with him that this is legislation we should have passed quite some time ago. The principle sticking point with which I am concerned is the liability issue.

Under the underlying bill, punitive damages are available against victims of terrorism. Let me repeat that. Having just been attacked by the terrorists, the victims of that terrorist act are entitled to punitive damages under the underlying bill.

The only concession that those advocates of this kind of litigation have made is to take the taxpayers off the hook for punitive damages. But the way the thresholds are allocated under the balance of the bill, it is highly likely that the taxpayers will be liable under any attack, and all other kinds of damages other than punitive damages will be available against the taxpayer.

We are talking about a bill that while certainly in concept is desirable, it has a number of significant flaws, one of which I would like to begin to try to fix this morning by laying down the amendment I will lay down shortly. While many of my colleagues on the other side of the aisle have been talking about the need for a terrorism insurance bill, my Republican colleagues and I have been busily preparing for action. Two weeks ago, Senator Gramm and I broke a month-long logjam by informally offering a proposal for a base text that establishes a responsible program for Federal assistance and assures that we don’t punish the victims of terrorism for the criminal acts of the terrorists.

For months now, the Senate has been locked in a debate about whether an American victim of a terrorist attack, whether it is World Trade Center, the Mall of America, Giants Stadium, or the Las Vegas MGM Grand, should be held liable for punitive damages.

Remember, punitive damages are intended to punish bad actors. That is what punitive damages are about. In addition, in another way, they are compensatory. Punitive damages are designed to punish the defendant. They are not designed to compensate victims.

Nothing in the Republican proposal for a base bill has sought to limit damages to compensate victims. There are no efforts on our part in the Senate to limit damages to compensate victims. What we are talking about is punitive damages which are designed to punish defendants.

We are talking solely about whether American victims of a terrorist attack should be punished not only twice, attacked first by the terrorists, attacked second by the lawyers. In addition, some of our colleagues who disagree and their allies have raised an interesting point—that there are some victims of terrorism whose conduct may be so flagrant, indeed so criminal, that in a matter of public policy, we should not let it go unpunished. So to address that concern head on, Senator Gramm and I offered a new compromise for a base bill that I fully expected my Democratic colleagues would embrace, at least I had hoped they would. Our proposal would permit punitive damages against any defendant who has been convicted of a crime in State or Federal court. Using our criminal justice system to determine what conduct is worthy of punishment is a simple, commonsense solution to ensure that no criminals avoid punitive damages in civil cases.

Let me state that again: In an ideal world, we would not have any punitive damages available against a victim of a terrorist attack. But to help address the concerns of those on the other side that punitive damages might lie in some extraordinary circumstance, the amendment I am about to offer provides a punitive damage opportunity against victims of terrorism who themselves have been convicted of a criminal act. That makes sense because if you have been convicted of a criminal act, punitive damages ought to lie because of the nature of the conduct.

Although Senator Gramm and I informally offered this proposal before the Memorial Day recess, we did not formally offer it on the floor because we wanted to give the other side plenty of time to consider this approach as a compromise for a base bill.

Actually our proposal was the second compromise supported by many on this side of the aisle. The first compromise from the House-passed bill included a
stripped down liability section agreed upon by Senators Gramm, Sarbanes, Dodd, and Enzi. But that compromise was later undone in December by others on the other side of the aisle. After months of inaction, Senator Gramm and I came to an agreement to propose this second compromise in the hopes that our colleagues on the other side would agree to these protections.

Sadly, the opposite appears to have taken place. Our colleagues on the other side rejected our idea by proceeding to a bill that would allow American victims of a terrorist attack to be held liable for punitive damages. Under this underlying bill, American victims of a terrorist attack could be held liable for punitive damages.

This approach to punitive damages does not compensate plaintiffs, does not prevent the double punishment of American companies who are victims of a terrorist attack, and does nothing to prevent insurance money intended to rebuild homes and reopen American business from being diverted to pay lottery-sized litigation awards.

The message this sends to the American people is that some of our colleagues are not truly concerned with guarding against criminal conduct. Instead, they appear more concerned with guarding the rights of personal injury lawyers to seek punitive damages against American victims of terrorism, protecting the opportunity for American lawyers to seek punitive damages against American companies who are victims of terrorism to these awards, unless they themselves have engaged in criminal conduct. We thought to pass a bill that has a chance of being signed. I think it is pretty clear that the President's top advisers in this area would recommend that he veto legislation similar to the underlying bill. So we have no confidence, if we are serious about this legislation, to fix it up and get rid of this outrageous punitive damage provision that subjects victims of terrorism to these awards, unless they themselves have engaged in criminal conduct. I think I share with you a quote from a recent report by the Joint Economic Committee:

"Liability costs are estimated to constitute the largest single cost of the 9/11 attacks and could easily exceed the property damage, life insurance, and workers compensation payments combined."

"That is from the "Economic Perspectives on Terrorism Insurance, prepared by the Joint Economic Committee in May of this year."

With this backdrop, I send the amendment to the desk on behalf of myself, Senator Gramm, and Senator Lott.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

"The Senator from Kentucky (Mr. MConnell), for himself, Mr. Gramm, and Mr. Lott, proposes an amendment numbered 3836."

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

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

The amendment is as follows:

(Purpose: To provide for procedures for civil actions, and for other purposes)

On page 29, strike line 1 and all that follows through page 30, line 17, and insert the following:

SEC. 10. PROCEDURES FOR CIVIL ACTIONS.

(a) FEDERAL CAUSE OF ACTION.—

(1) IN GENERAL.—There shall exist a Federal cause of action for claims arising out of or resulting from an act of terrorism, which shall be the exclusive remedy for such claims, except as provided in subsection (f). (2) PREEMPTION OF STATE ACTIONS.—All State causes of action for claims arising out of or resulting from an act of terrorism that are otherwise available under State law, are hereby preempted, except as provided in subsection (f).

(b) GOVERNING LAW.—The substantive law for decision in an action described in subsection (a)(1) shall be derived from the law, including applicable choice of law principles, of the State in which the act of terrorism giving rise to the action occurred, except to the extent that—

(1) the law, including choice of law principles, of another State is determined to be applicable to the action by the district court hearing the action; or

(2) otherwise applicable State law (including that determined under paragraph (1), is inconsistent with or otherwise preempted by Federal law.

(c) FEDERAL JURISDICTION.—

(1) in general.—Withholding any other provision of law, not later than 90 days after the date of the occurrence of an act of terrorism, the Judicial Panel on Multidistrict Litigation shall assign a single Federal district court to conduct pretrial and trial proceedings in all pending and future civil actions for claims arising out of or resulting from that act of terrorism.

(2) SELECTION CRITERIA.—The Judicial Panel on Multidistrict Litigation shall select and assign the district court under paragraph (1) based on the convenience of the parties and the just and efficient conduct of the proceedings.

(3) JURISDICTION.—The district court assigned by the Judicial Panel on Multidistrict Litigation shall have original and exclusive jurisdiction over all actions under paragraph (1). For purposes of personal jurisdiction, the district court assigned by the Judicial Panel on Multidistrict Litigation shall be deemed to sit in all judicial districts in the United States.

(4) TRANSFER OF CASES FILED IN OTHER FEDERAL COURTS.—Any civil action for claims arising out of or resulting from an act of terrorism that is filed in a Federal district court shall be transferred to the Federal district court so assigned.

(5) REMOVAL OF CASES FILED IN STATE COURTS.—Any civil action for claims arising out of or resulting from an act of terrorism that is filed in a State court shall be removable to the Federal district court assigned by the Judicial Panel on Multidistrict Litigation under paragraph (1).

(d) APPROVAL OF SETTLEMENTS.—Any settlement between the parties of a civil action described in this section for claims arising out of or resulting from an act of terrorism shall be subject to prior approval by the Secretary after consultation with the Attorney General.

(e) LIMITATION ON DAMAGES.—

(1) IN GENERAL.—Punitive or exemplary damages shall not be available for any losses in any action described in subsection (a)(1), including any settlement described in subsection (d), except where—

(A) punitive or exemplary damages are permitted by applicable State law; and

(B) the harm to the plaintiff was caused by a criminal act or course of conduct for which the defendant was convicted under Federal or State criminal law, including a conviction based on a guilty plea or plea of nolo contendere.

(2) PROTECTION OF TAXPAYER FUNDS.—Any amounts awarded in, or granted in settlement of an action described in subsection (a)(1) that are attributable to punitive or exemplary damages allowable under paragraph (1) of this subsection shall not count as insured losses for purposes of this Act.

(f) CLAIMS AGAINST TERRORISTS.—Nothing in this section shall in any way be construed to limit the ability of any plaintiff to seek...
any form of recovery from any person, government, or other entity that was a participant in, or aider and abettor of, any act of terrorism.

(g) EFFECTIVE PERIOD.—This section shall apply only to actions described in subsection (a)(1) arising out of or resulting from acts of terrorism that occur during the effective period of this section, including any applicable extension period.

Mr. MCCONNELL. Mr. President, this amendment replaces the liability section of the underlying bill with the liability section proposed in the companion bill proposed by Senator Gramm and myself.

The compromise has three principal elements. First, consolidation of all claims in a single Federal district court; second, approval of settlements by the Secretary of the Treasury; third, a ban on punitive damages, unless the defendant has been convicted of a criminal offense that is related to the plaintiff’s injury.

The first two provisions should not spark controversy. The proponents of the underlying bill themselves have agreed to Federal jurisdiction over these claims, and the approval of settlements by the Secretary of the Treasury simply protects the taxpayer dollars we have referred to potentially enormous lawsuits under this program. And since the underlying bill now—unlike an earlier version—prudently bans punitive damages against the Federal Treasury, this approval process ensures that the court does not attempt to casually circumvent that ban through a settlement.

So, again, this is a debate about whether we should expose American victims of terrorism to punitive damages—damages that heap additional punishment on American victims, even after the plaintiff has been fully compensated for his or her injuries.

Let me make a very important point to those of my colleagues who are traditionally wary of liability protections. Lawsuits arising out of terrorist attacks will be a wholly different animal. They will not feature the traditional small, sympathetic plaintiffs against the crotchety, arrogant big business that makes for such effective television movies and plaintiffs’ lawyers’ tales. No, these lawsuits will pit victim against victim—victim against victim—both of whom have been devastated by a coldblooded terrorist attack, and both of whom will be faced with enormous economic, emotional, and financial recovery.

While it is important to ensure that an injured plaintiff be compensated for his or her injuries—and this amendment does just that—it is absurd, immoral, and it is un-American to impose additional punishment on an American victim of terrorism.

For those who remain concerned about punishing egregious conduct, my amendment does not extend the punitive ban to any defendant who is engaged in criminal conduct. History reminds us that punitive damages have always been about punishing bad actors, not about compensating victims. Punishment has long been a hallmark of our criminal justice system. Indeed, punitive damages draw their origins from the English common law cases of assault and battery, where the criminal law provided an inadequate remedy. So what we should rely on our criminal justice system to determine whether additional punishment is warranted against American victims of terrorism.

If Americans have engaged in criminal activity, maybe punitive damages are appropriate in those limited circumstances. But what we cannot and must not do is take the punishment reserved for the terrorists who seek to destroy our buildings, our transportation systems, our fire and rescue personnel, and our way of life and transfer that punishment to American victims of terrorism who bear no relation to the hijackers and suicide bombers, or the terror that they unleashed on America.

To be perfectly candid, my amendment does not do enough to protect liability costs from skyrocketing out of control and to protect against runaway lawsuits against terrorist victims. Indeed, this amendment moves a long way off the litigation management provisions in the House-passed bill. If I had my own way, I would be offering something a good deal more comprehensive than what I have offered a few moments ago. I believe it is important for everybody to remember what kind of awards are still possible, even if my amendment is adopted, as I hope it will be. There is no limit to the amount of damages an American plaintiff can receive as compensation for physical or economic loss. Let me say that again. I am not proposing any kind of limitation on the amount of damages an American plaintiff can receive as compensation for physical or economic loss.

No. 2. I am not proposing to limit the amount of damages an American plaintiff can receive as compensation for noneconomic damages—pain and suffering losses. There is no limitation under my amendment on recovery for pain and suffering.

In addition, there is nothing to prevent American defendants and victims of a terrorist attack from having to pay for the pain and suffering caused by terrorism. We have moved a long way further, but there is no limitation under this amendment on recovery for pain and suffering against the victims of terrorism or the taxpayers of the United States. And there is no limit on the amount of money an attorney can take from the plaintiff’s award. I must say, I hated not putting that in.

This is very similar to the Federal Tort Claims Act which has been on the books since the late forties. If you sue the United States under the Federal Tort Claims Act and there are in Federal court. There are no punitive damages, and there is a 25-percent limit on lawyer’s fees, which seems to me entirely appropriate. A limitation on lawyer’s fees puts more money in the hands of the victim.

I know what a sensitive subject that is for many in this body, so that is not in this amendment. I did not even limit the lawyer’s fees which would have been a very provictim provision. I did not do that. Yet remarkably, this is not enough for some people. Even after a plaintiff has been fully compensated for his or her losses, and noneconomic damages, the underlying bill demands the right to seek additional punitive damages to punish American property owners, American shopkeepers, and American air carriers who are also victims of terrorism.

Under this amendment, no victim is going to be denied the right to fully recover under every other provision. The only thing that is being denied is to get punished for the second time. First, you get taxed once during your life, and then you get taxed again when you die. Almost immediately afterwards, our colleagues moved to provide for terrorism insurance bill that would impose double punishment. Yesterday they voted in favor of double taxation, and today they are advocating double punishment on American victims of terrorism. First, you are going to be attacked by the terrorist, and then you get attacked by the lawyers for punitive damages.

I hope our colleagues will join me in curing the latter error by supporting this amendment. If not, they should be prepared to explain to the American people why—they in the aftermath of a terrorist attack it is somehow permissible in this country to punish American victims of terrorism for the harm caused by the terrorism. That is what this amendment is about.

Let me reiterate before relinquishing the floor that all other kinds of damages are available to victims of terrorism to the plaintiffs—pain and suffering, economic compensation—but the only thing that would be denied would be the opportunity to get punitive damages which are, in effect, damages allowed for criminal-type behavior on the part of the terrorist attack. I have even modified that to allow punitive damages against a victim of terrorism if that victim has been convicted of a crime. That is the category of behavior which historically has made available the Federal Tort Claims Act would have been a perfect way to limit the lawyer’s compensation and provide more assistance for
the victim, but I have not offered that because I know there is substantial reluctance in this body, as we have seen time and time again, to impact the compensation of the plaintiff's bar. So I have not done that in an effort to make it a bipartisan debate.

This is a very modest step in the direction of protecting the victims of terrorism from being attacked twice. I hope it is something we can pass overwhelmingly in the Senate whenever we get around to having a vote.

Mr. President, I yield the floor and hope that whenever this is voted upon, it will be adopted overwhelmingly.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me talk just a moment about the bill and where we are, and then talk about this amendment. This is the third bill now where we have not written a bill in committee, where we have brought a bill to the floor, basically a bipartisan bill, for no purpose. I do not think I am saying anything others will not agree with in saying Senator DODD and I have pretty consistently been the two most committed people toward passing a bill. But rather than sitting down and trying to write the provisions of this bill on a bipartisan basis, we have written a bill, the committee of jurisdiction. We basically are converting this into a partisan issue which I think makes no sense whatsoever.

Let me give a little bit of history so my colleagues understand how we got to be where we are and what the two overriding issues are. There will be many other issues raised, I am sure, but I want people to know what the two overriding issues are.

Way back last fall, Senator SARBANES, Senator DODD, Senator ENZI, and I met with the Secretary of the Treasury in the wake of 9-11 to try to put together a bipartisan bill. In fact, we agreed to a bill. The Secretary of the Treasury endorsed the bill on behalf of the administration. All four of us had a press conference and announced the bill. That bill worked as follows:

It was a 2-year bill with a possible extension to the third year. The first year there was an industry retention, and I think I defined this term because we are going to be hearing it now for an extended debate. There was an industry retention whereby the industry had to pay $10 billion in the case of a terrorist attack before the Federal Government would begin to pay the bills. The idea being that the insurance companies are selling insurance, they are collecting premiums, and they should have a stake in the process and the Federal Government should come in in the events that are so large and so costly that no one insurance company could not sustain it, and that the market for insurance and reinsurance potentially would not develop with the risk as large as it might without the Federal backing.

Our bipartisan bill had a retention of $10 billion the first year, $10 billion the second year, and if the Secretary of the Treasury concluded that a third year was required, he could extend the bill for a third year with a retention of $20 billion. Above these retention levels where the private insurance company would pay, the taxpayer pays 90 percent out of every dollar of the claim.

Why did we end industry retention rather than an individual company retention? We had an industry retention because our purpose is not to get the Government into the insurance business permanently, but to build a bridge to transition from where we are today in the wake of 9-11 to a period when, hopefully, we will do a better job of managing these risks at the national level in terms of our antiterrorist policy and, secondly, over time, we can develop the insurance structure to build the risk that is in the term structure of insurance rates.

If we do not have an industry retention, the incentive for companies to spread the risk is reduced. If my risk as the Gramm Insurance Company is a retention of $10 billion based on my size in the industry, then once I am above that level of exposure, the Federal Government is picking up 90 percent of the cost. What we are trying to do is get insurance companies to 'catastrophe涌现' so that no insurance company insures the Empire State Building. They might join 10, 20, or 30 other insurance companies in doing it and, in doing so, spread the risk. We want to develop reinsurance so that these risks can be disseminated.

Having an industry cap or an industry retention, rather than an individual company retention, puts pressure on companies to enter into reinsurance and syndicates and tend to have profitability for reinsurance to emerge. The purpose of the bill is to develop reinsurance and syndication.

Having reached that agreement, we also agreed on a set of provisions related to lawsuits in the wake of a terrorist attack. We agreed that all lawsuits had to be brought in Federal court because this was a Federal program. We agreed that the cases could be consolidated. We agreed to require that claims be brought within 30 days or be barred. And we said that after the first $5 million, there would be no punitive damages in the case of a terrorist attack. This was a compromise.

Then we wanted a lot more in the way of protection. The House had passed far more comprehensive protections, but this was a compromise we worked out. As we all know, there was an objection to the liability parts of the bill and the Treasury didn't think we could extend the bill on a bipartisan basis. So the proposal was made that we have individual company retention levels.

Might I say that the day we announced a bipartisan compromise with an industry retention level of $10 billion, virtually every insurance company in America supported that bill.

Mr. LEAHY. Mr. President, will the Senator yield for a question?

Mr. GRAMM. Yes, I would be happy to yield.

Mr. LEAHY. I ask this with some trepidation because I know that every day I hear my good friend from Texas speaking, it is one less day I am going to have the opportunity to hear him. And I mean that sincerely. I really do enjoy his statements. I wonder if he has some idea how much time he needs?

Mr. GRAMM. I think I should be through within, say, 10 minutes.

Mr. LEAHY. I thank the distinguished Senator.

Mr. GRAMM. So the day we introduced the bill with a $10 billion industry retention, based on the logic that we wanted to encourage reinsurance, that we wanted to encourage syndication, there was broad support in the insurance industry and American business for that compromise.

We got to December, 3 weeks away from—at least as we are told, and as I believe actually did happen—tremendous numbers of insurance policies expiring on January 1. So recognizing we were writing a bill where the industry would have only 3 weeks to try to respond to it, the bill that was put together had not an industry retention but an individual company retention that would probably—there, with as little as $50 million of cost, the Federal taxpayer could be pulled into the process, a far cry from the $10 billion retention we had had in the original compromise. The logic of it, as of December 10, was that we were 3 weeks away from the beginning of the year and there was not time for this syndication to occur, there was not time for reinsurance to occur.

Now it is 7 months later. Insurance companies have sold terrorism insurance, not at the price we might have chosen, not to the people we might have chosen they sell it to, but the point is at inflated rates, because things changed, the market changed, the expected amount. It was, in fact, required that they go up economically. Now insurance companies have sold all these policies based, at that point, on no Government back-up. To come back in now with an individual company retention that would put the taxpayer at risk, if the costs are as small as $50 million or $100 million, makes absolutely no sense.
What has happened, as we might expect it to happen, is that if I were running an insurance company and I had a choice between having Government backup begin at $100 million versus $10 billion, I would not be running an insurance company any longer. I think it is more than likely that $10 billion would be better than $10 billion. So now we are having this debate driven by insurance companies that want the low retentions.

In December, when we were writing a bill that took 3 weeks, there was not any other choice, but once that marker got out there and people saw it as a possibility, then they decided this deal they were willing to sign on in October, which protected the taxpayer by having insurance companies pay the first $10 billion, that that was no longer acceptable. Seven months later, premiums collected, risks taken to come in with an individual company retention level at the level that is being discussed now in this bill, would grant that. I think it is not justified and not good public policy, and that is an issue that has to be dealt with. We have to decide, are we representing the taxpayer or are we representing some other interest? It seems to me that if the insurance companies want to back up policies that have already been sold, with no Government backup, where premiums have already been collected on the basis that there would be no Government backup, to now come up with a backup that is in the tens of millions rather than $10 billion, is to basically have the taxpayer enter into a situation where the initial risk is borne largely by the taxpayer and not by the insurance company.

Let me say to my colleagues that if this were World War II instead of a new kind of war, we could have had a Government insurance program. We had one in World War II. We had two kinds. We had one for international shipping and another for domestic shipping. Both companies made money. Both companies, when we signed the peace treaty on the Missouri, faded out. The problem now is this war will not end with a peace treaty on the Missouri. It will end with the scream of some terrorist. But there will not be a signed agreement that it is over, nor will we know that is the last terrorist in the world.

We have to decide this is a transition to normality, or are we trying to build the risks into the structure of insurance rates, or are we getting the Government permanently in the insurance business in America. That is a fundamental question. When we decided in October, we answered the question. When this bill was written in December, we were forced into this low deduction by having only 3 weeks. Seven months later, that makes no sense.

This is the issue that needs to be dealt with. I hope it can be compromised on a bipartisan basis. As I said earlier, from the beginning I have believed we needed a terrorism insurance bill.

Finally, I turn to the liability question, and I will be brief. We have before the Senate the most modest proposal related to punitive damages that has been discussed thus far in this bill. We had a bipartisan agreement that banned punitive damages outright, a complete ban on a bill that had extensive protections from predatory lawsuits in a terrorist attack. In my mind, to unleash predatory lawsuits after a terrorist attack is like piracy on a hospital ship. It is outrageous and unacceptable.

Now, the Senator from Kentucky has given a very watered down compromise and, I think, a reasonable one, and to me acceptable—though I like the House provisions better; I like the proposal of the President better. What his compromise says is that you cannot sue victims of terrorism for punitive damages. You can sue the terrorists, but you cannot sue the victims, the people who were in the attack, the people whose buildings were destroyed, unless they have been convicted of a felony related to the attack. In other words, they had some measure of criminal culpability.

I don’t know how anyone can be against this proposal. If you are against this proposal, you are basically willing to unleash predatory lawsuits on anyone—in this case, including victims of terrorism.

Let me conclude and yield the floor by urging my colleagues to vote for the McConnell amendment. The President has said in a letter, through four spokesmen, including the Secretary of the Treasury, that he will not sign a bill that does not protect people from predatory lawsuits that arise from a terrorist act. I hope my colleagues will vote for the McConnell amendment.

Second, I hope we can work out a compromise on this retention issue. We should be able to work out a compromise that allows the victims of terrorism insurance fallback for these insurance companies. I commend to my colleagues the House amendments, and to the one that I believe is the most egregious is a concept that is remarkable; that is, that victims of terrorism, who have been either physically or financially, and certainly emotionally hurt by terrorists, would be suiable to lawsuits.

Senator McConnell takes a very small part of this liability. I have a problem with any victim being sued for anything. Think back to the days we were at war. Can anyone imagine in previous years if someone in America had been killed as a result of World War II, the Germans or the Japanese bombing someplace in America, that people in America would have rushed to the lawyers and then to the courtroom to sue the restaurant where they were at war, the place that was destroyed, unless they had been convicted of a felony related to the attack.

In other words, there was some measure of criminal culpability.

There is work that has yet to be done. I hope we can do it together. There is no reason we cannot.

I yield the floor.

The PRESIDING OFFICER (Mrs. Clinton), The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I will not be long. I rise in support of the McConnell amendment. The President has said in a letter, through four spokesmen, including the Secretary of the Treasury, that he will not sign a bill that does not protect people from predatory lawsuits that arise from a terrorist act. I hope my colleagues will vote for the McConnell amendment.

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There is work that has yet to be done. I hope we can do it together. There is no reason we cannot.
One can make an argument—and I would not agree—he would have to pay compensation for pain and suffering or wages, but now we will say he will be liable to be sued, to be punished, and he was a victim of terrorism.

Victims of terrorism should not be punished. Victims of terrorists should not be punished by the Senate. It should not be permitted. It is an outrage to every victim who suffered on September 11; if every victim who suffered on September 11 owned anything that was destroyed, and had anyone working for them, they are now going to be on the firing line, again. It is not bad enough that they were hurt physically, emotionally, and economically as a result of terrorist acts. We are now going to put them through another act of destruction in the courtroom.

Even if this amendment is agreed to, that is going to occur. All we are saying is, Members of the Senate, don’t allow this to happen. There certainly will do and certainly have done so already with past terrorist acts—come into court and attempt to punish victims. That is over the top. It is over the top. It is inhumane.

Mr. MCCONNELL. Will the Senator yield for an observation?

Mr. SANTORUM. I am happy to yield to the Senator from Kentucky.

Mr. MCCONNELL. After making this argument a week or so ago, the American Trial Lawyers Association said there could be some circumstances under which the defendant himself engaged in criminal behavior. So I modified this amendment to include, if the victim of terrorism himself were convicted of a crime in connection with that event, then punitive damages would lie because that would warrant punishment.

Mr. SANTORUM. Absolutely. Mr. MCCONNELL. But there are no other circumstances—I agree with my friend from Pennsylvania—under which punitive damages ought to lie against the victim of terrorism. I thank the Senator for his observations. I think he is right on the mark.

Mr. SANTORUM. I thank the Senator from Kentucky for further clarifying his own amendment. I think it is important to say if someone is, maybe, in complicity with a terrorist or did something with respect to his business that was, as the Senator from Kentucky said, criminal in nature, that would be prosecuted. Then I think it is a reasonable provision for some sort of civil damages to be awarded.

But to have a blanket provision that says every victim is a potential defendant in a lawsuit, where the lawyer is saying you should be punished because you were a victim of a terrorist act, I find that to be almost something that is so absurd; it is remarkable to me that we are even debating the existence of this provision.

Mr. MCCONNELL. Will the Senator yield for a question?

Mr. SANTORUM. I am happy to yield to the Senator from Kentucky for a question.

Mr. MCCONNELL. Will the Senator agree that if punitive damages were available, they would be sought in every instance?

Mr. SANTORUM. I am a lawyer. I did practice law before I came here, but I do not know, one of the things that happens when you file lawsuits is, you do not leave anything out. If you have damages available to you, you file for them and you let those who are responsible for making the decision as to what your punitive damages should be. Whether it is the jury or judge—you let them decide what the plaintiff is permitted to receive.

There is no question in my mind. Imagine, that victims of terrorism—Mr. LEAHY. Will the Senator yield for a question?

Mr. SANTORUM. Let me finish my statement, and then I will be happy to answer.

Mr. LEAHY. Madam President, the Senator has the floor and of course can speak as long as he wishes. I do not mean to suggest otherwise.

Mr. SANTORUM. I was just about to finish.

Mr. LEAHY. We had an informal understanding that originally I was going to follow the Senator from Texas. If not, I will pass it on to the Chair. I just wondered how much longer he might be.

Mr. SANTORUM. I was about to finish. I am happy to do so.

I encourage my colleagues, No. 1, as I said before, to see if we can work out some sort of bipartisan agreement. This should not be a partisan bill. This should be a bill on which we work together in the Senate.

No. 2, I encourage, as a good starting point for that bipartisan arrangement, to support this very minimalist amendment, with all due respect to my colleague from Kentucky. It is a minimalist amendment to eliminate the most egregious aspects of lawsuits available to plaintiffs who want to sue victims of terrorism; that they at least should not be punished, pay compensation as a punishment, unless there was some sort of criminal behavior attached to the victim.

I yield.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I must oppose this amendment by my good friend from Kentucky, Senator McCaskill, to add controversial so-called “tort reform” measures to the terrorism insurance bill. This amendment would limit the legal rights of future terrorism victims and their families. That is not fair or just.

I have worked with the distinguished majority leader, Senator Dodd, Senator SABRANES and others to craft a balanced compromise in the substitute amendment on legal procedures for civil actions involving future acts of terrorism.

The underlying Dodd bill protects the right of future terrorism victims and their families while providing Federal court jurisdiction of civil disputes involving acts of terrorism and excluding punitive damages from Government-backed insurance coverage under the Dodd bill. These provisions protect the accountability of a private party for its actions in any way.

Further, the underlying Dodd bill fully protects Federal taxpayers from paying for punitive damages awards. Under the Dodd bill only corporate wrongdoers pay punitive damages, not U.S. taxpayers as some have incorrectly claimed on the Senate floor.

But the McConnell amendment would permit punitive damages for almost all civil actions covered by the bill. This latest offer excuses wanton, reckless, and even malicious conduct by a corporate wrongdoer. The amendment provides that a corporate wrongdoer must have engaged in criminal conduct and must have already been convicted under State or Federal law before it can still liable for punitive damages.

This is a ridiculously high standard that excuses and immunizes all sorts of bad acts that should be punished and deterred.

The McConnell amendment, for all practical purposes, eliminates punitive damages, which in turn, completely undermines the civil justice system. There is no effective punishment, and consequently no real deterrent for misconduct. Right now, the threat of punitive damages makes would-be wrongdoers think twice.

Without the threat of punitive damages, callous corporations can decide it is more cost-effective to continue cutting corners despite the risk to American lives. This would let private parties avoid accountability for wanton, willful, reckless or malicious conduct. That is outrageous and irresponsible.

Punitive damages are monetary damages awarded to plaintiffs in civil actions when a defendant’s conduct has been found to flagrantly violate a plaintiff’s rights. Under this amendment, those plaintiffs will be victims of terrorism and their families.

The standard for awarding punitive damages is set at the State level, but is generally allowed only in cases of wanton, willful, reckless or malicious conduct. These damages are used to deter and punish particularly egregious conduct. Eliminating punitive damages completely undermines the deterrent and punishment function of the tort law.

The threat of punitive damages is a major deterrent to wrongdoing. Eliminating punitive damages would severely undercut this deterrent and permit reckless or malicious defendants to find it more cost effective to continue their callous behavior without the risk of paying punitive damage awards.
For example, this amendment would permit a security firm to be protected from punitive damages if the private firm hired incompetent employees or deliberately failed to check for weapons and a terrorist act resulted. This amendment fails to protect the interests of victims of terrorism and their families. I helped author the September 11th Victims Compensation Fund to take care of any terrorism victim suffering physical or death. As a result, it was open to public interest retroactive liability limits up to insurance coverage for the September 11th attacks, such as limits for the airlines industry to keep them out of bankruptcy and limits for the owners of the World Trade Center to rebuild.

But liability limits for future terrorist attacks are irresponsible because they may restrict the legal rights of victims and their families and discourage private industry from taking appropriate precautions.

Restricting damages against the wrongdoer in civil actions involving personal injury or death, for example, could leave corporations from taking the necessary precautions to prevent loss of life or limb in a future terrorist attack.

There is no need to enact these special legal restrictions and take away the rights of victims of terrorism and their families.

At a time when the American people are looking for Congress to take measured actions to protect them from acts of terrorism, these “tort reform” proposals are unprecedented, inappropriate and irresponsible. At the very moment that the President is calling on all Americans to be especially vigilant, this amendment is calling on all American businesses to avoid their responsibility for vigilance under existing law.

I am disappointed that some may be taking advantage of the situation to push “tort reform” proposals that have been the law for many years. This smacks of political opportunism. I cannot support rewriting the tort law of each of the 50 states for the benefit of private industry and at the expense of future terrorist victims and their families. I urge my colleagues to defeat this amendment.

Madam President, the distinguished Presiding Officer has been as involved in getting compensation to victims of terrorism as anybody here. I raise these points on the floor that we all want to help victims of terror, and we will, but we don’t want to give a wish list to anyone.

Medical laboratories specializing in nuclear medicine might know that their security system is broken. They say: Well, you know, it will take a few hundred dollars to fix it, and we are not going to bother. So it stays broken for months. At the same time, even though they might put high-security locks in the vault, they don’t put security locks on the storage room that houses nuclear materials.

Say during this period when it is operated without a functioning security system a lab discovers various containers of nuclear matter, including dozens of vials containing radioactive iodine, are missing, and it fails to report that fact to local, State, or Federal authorities to take any action to repair its security system. This is not a far-fetched example.

Let us say that nuclear material is traced back to the laboratory and it is later used to fuel a “dirty” bomb that detonates in the city. Under this amendment, you can’t go back and prosecute that corporation. They have no criminal prosecution. You can’t go back. Come on. What is going to be the incentive for that corporation that failed to fix their security system and to fix the locks on their doors? It is just another example.

I see the distinguished acting majority leader.

I yield the floor.

Mr. REID. Madam President, I have spoken to my friend, the distinguished senior Senator from Kentucky, Mr. MCCONNELL, indicating we will move to table. I have been told that the Republican leader may speak before we do that. That being the case, I certainly don’t want to move to table if the Republican leader wishes to speak.

I ask unanimous consent that I be recognized following the calling off of the quorum.

I ask unanimous consent that I be recognized following the calling off of the quorum.

The PRESIDING OFFICER. The Presiding Officer is recognized.

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

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

Mr. REID. Madam President, I yield the floor.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. LOTT. Madam President, I thank Senator American cities, and others. As Senator REID has pointed out, they are concerned about the growing problem in this area in terms of coverage. I wish we could have moved it earlier. There have been a lot of efforts on both sides to make it happen. We were not successful.

Now we do have it on the floor. Obviously, there are going to be some important amendments that will be offered, and I look forward to the provisions in the legislation. But I think this is one of the most important ones. The liability provisions in this legislation, or lack thereof, is a critical point. I am very much concerned about jurisdiction and venue, where these millions might occur arising out of terrorism. I would be very concerned about the pre-emption of State causes of action provisions that would be included.

But the most important point is, how would you deal with the punitive damages issue? I have real concerns and problems with punitive damages coming out of the U.S. Treasury as a result of an action involving a terrorist attack. So I hope we can find a way to resolve the problem.

Senator MCCONNELL has been very diligent in staying behind this and working to find an appropriate solution. I think he has come up with one, and this is the key part of it. It says that to the extent punitive damages are permitted by applicable State law, punitive damages may be recovered against a defendant in a civil action involving an act of terrorism only if “the harm to the plaintiff was caused by a criminal act or course of conduct for which the defendant was convicted under Federal or State criminal law, including a conviction based on a guilty plea or plea of nolo contendere.”

This is the right solution. This is a fair solution. It does not set a precedent saying that there can be no punitive damages; it just says it can only occur under these conditions that were outlined where there was a criminal act or course of conduct that led to the situation where a terrorist could make this kind of attack.

The President has made it clear that if we do not deal with this appropriately, he will not sign this legislation. So rather than trying to find a time to deal with it later, or to deal with the whole issue, try to call either side’s bluff, this is the right solution. It does not set the precedent; it does provide for damages under these certain circumstances where there has been neglect or egregious action that led to the terrorist attack.

So I urge my colleagues to support the McConnell proposal that I have cosponsored, and oppose the motion to table this important issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. There is a sufficient quorum present.

There appears to be.

The question is on agreeing to the motion.
The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Vermont (Mr. JEFFORDS) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Idaho (Mr. CRAPRO), and the Senator from Rhode Island (Mr. CHAFEE) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "no."

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

The result was announced—yeas 50, nays 46, as follows:

[Rollcall Vote No. 152 Leg.]

**YEAS—50**

Akaka      Dodd      Lieberman
Alaska     Lieberman  Lincoln
Baucus     Logan      Lincoln
Bayh       Durbin     Mikulski
Biden      Edwards    Miller
Bingaman   Feingold   Murray
Boxer      Feinstein  Nelson (FL)
Breaux     Graham     Nelson (NE)
Byrd       Grassley   Reed
Cantwell   Hollings   Reid
Carnahan   Inouye     Rockefeller
Carper     Johnson    Rockefeller
Cleland    Kennedy    Sarbanes
Clinton    Kerry       Schumer
Conrad     Kent        Schumer
Corzine    Landrieu   Stabenow
D阪chle    Leahy       Wollstone
Dayton     Levin       Wyden

**NAYS—46**

Allard     Frist       Roberts
Allen      Gramm      Santorum
Baucus     Grassley    Sessions
Bond       Gregg       Shelby
Brownback  Hagel      Smith (NH)
Bunning    Hatch       Smith (OK)
Burns      Hatchman    Snowe
Campbell   Hatchwell   Snowe
Cooper     Inhofe      Specter
Collins    Kyl         Stevens
Craig      Lott        Thomas
DeWine     Rogan       Thompson
Domenici   McCain      Thurmond
Ensign     McConnell   Voinovich
Enzi       McConnell   Warner
Fitzgerald  Nickles    

NOT VOTING—4

Chafee     Helms       Jeffords

The motion was agreed to.

AMENDMENT NO. 3834

Mr. NELSON of Florida. Mr. President, I send to the desk an amendment. It is my understanding the amendment number is 3834.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Florida (Mr. NELSON) proposes an amendment numbered 3834.

Mr. NELSON of Florida. 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 restrict insurance rate increases for terrorism risks)

At the appropriate place, insert the following:

SEC. 1. INSURANCE RATE INCREASES FOR TERRORISM RISKS.

(a) CALCULATIONS OF TERRORISM INSURANCE PREMIUMS.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary shall promulgate regulations establishing parameters for insurance rate increases for terrorism risks.

(2) CONSULTATION.—In developing the regulations under paragraph (1), the Secretary shall consult with the NAIC and appropriate Federal agencies.

(3) MODIFICATIONS.—The Secretary may periodically modify the regulations promulgated under paragraph (1), as necessary to account for marketplace.

(4) EXCLUSIONS.—Under exceptional circumstances, the Secretary may exclude a participating insurance company from coverage under the regulations promulgated under paragraph (1).

(b) SEPARATE ACCOUNT REQUIRED.—If a participating insurance company increases annual premium rates on covered risks under subsection (a), the company—

(1) shall deposit the amount of the increase in premium in a separate, segregated account;

(2) shall identify the portion of the premium insuring against terrorism risk on a separate line item on the policy; and

(3) may not disburse any funds from amounts in that separate, segregated account for any purpose other than the payment of losses from terrorism risk.

(c) LIMITATION ON RATE INCREASES FOR COVERAGE RISKS.—

(1) EXISTING POLICIES.—Any rate increase by a company on covered risks during any period within the Program may not exceed the amount established by the Secretary under subsection (a).

(2) NEW POLICIES.—Property and casualty insurance policies issued after the date of enactment of this Act shall conform with the regulations issued by the Secretary under subsection (a).

(d) REFUNDS ON EXISTING POLICIES.—Not later than 90 days after the date of enactment of this Act, a participating insurance company shall—

(1) review the premiums charged under property and casualty insurance policies of the company that are in force on the date of enactment of this Act;

(2) calculate the portion of the premium paid by the policyholder that is attributable to terrorism risk during the period in which the company is participating in the Program; and

(3) refund the amount calculated under paragraph (2) to the policyholder, with an explanation of how the refund was calculated.

Mr. DODD. Mr. President, will my colleague yield? I inquire, it is a quarter after 1, so we can give our colleagues an indication of time, how much time would my colleague like?

Mr. NELSON of Florida. About 3 hours.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, while some Members are still in the Chamber, I want them to understand the essential truth that a public which is averse to raising taxes is all the more averse to hiking insurance premiums. Let me repeat that.

We all know that the consuming public is averse to raising taxes, and we are sensitive to that fact, but equally or more sensitive is the issue of passing legislation that takes insurance premiums, and that is what we are facing.

We have an underlying bill that is trying to solve a problem. The problem is that terrorism has now become an insurance risk. In large part, this bill takes that risk off individual insurance companies and has the Federal Government assume a large part of that risk, so much so in one computation, it is 80 percent of the risk; in another computation, it is 90 percent of the risk.

In the very complicated formula of the bill, it has the responsibility of each insurance company with a de minimis amount that it would pay out in the case of a terrorism incident and, moreover, this is only a terrorism incident which uses conventional explosives. It does not include because they are exempt from almost all insurance policies—the terrorism risk when the terrorist uses chemical, biological, or nuclear weapons.

As a result, we are talking about a risk, as we learned on September 11, in the totality of the picture of the risk, to the whole country and risk to individuals, businesses, owners of high-growth and large businesses, medium-size businesses and small businesses. We are talking about a risk that, albeit still a substantial risk, it is a risk that in large part is being picked up by the Federal Government.

I do not object to that, and I will restate what I said this morning to my good friend and colleague and the sponsor of this legislation, Senator DODD. If I had objected to that, we would not be on this legislation because I was in the Chamber when the unanimous consent request was propounded last night, and I could have easily entered an objection. I did not, and that is why we are on the bill.

I do not object to the Federal Government picking up a major part of the terrorism risk, albeit only the conventional risk; it is not chemical, nuclear, or biological. What I do vigorously object to is that in the underlying bill of the Senator from Connecticut, there is no process in place that will limit the rate hikes of the insurance companies with regard to the terrorism risk.

Mr. DODD. Will my colleague yield on that point?

Mr. NELSON of Florida. Certainly.

Mr. DODD. I say to my colleague, what we do is leave all the State insurance commissioners—and under the present scheme, and my colleague is a former commissioner and knows this better than I do, there are 40 States that allow for rate increases to go into effect, and then the commissioners can overturn those rate increases. In 10 States, the rates have to be approved before they go into effect.

In this bill we apply the standard used in the 40 States, but the State insurance commissioners do not lose their power to turn down that rate increase. We do not have anyone in the Federal Government doing that, but we leave it at the State level for those rate determinations to be made at the local level. That is what the bill requires.

Mr. NELSON of Florida. I was glad to yield to my colleague, and I hope he
will interject these comments so we can have an honest and fair debate about this issue because the very point that the Senator from Connecticut has made is the flaw of this bill. The 50 insurance commissioners of this country usually set the rates on commercial policies, and the ones who do, such as the State of Florida, set a range for rates, but that is with regard to all the conventional types of risk—thief, dog bite, slip and fall, and so forth.

The fact is that the 50 insurance commissioners, if they were to do what the Senator from Connecticut says, do not have any actuarial data on which to make a judgment about whether or not a rate hike is actuarially sound for the de minimis terrorism risk that the insurance company is now assuming.

Wait, wait. Let me finish.

Mr. DODD. Will the Senator yield so I may comment further?

Mr. BILLIKER. No, Mr. Chairman. I will not yield. I will finish the answer and then I will yield to the Senator.

My amendment sets a process in place. We have the Secretary of the Treasury. Now why would we go to the Secretary of the Treasury? Because the insurance commissioners of the 50 States determine if rates are actuarially sound or on the basis of data coming from an experience, and the fact is that the insurance commissioners of the 50 States do not have that data and experience.

So in the Nelson amendment what we do is put into place a process by which actuarially sound judgments can be made on whether or not the rate hike is just right or whether the rate hike is too high or whether the rate hike is not high enough. You mean it could not be high enough? In fact, that is something we ought to know. We ought to know what is the appropriate hike to cover the insurance risk that is being assumed by the Federal Government since most of the terrorism risk is being assumed by the Federal Government.

For example, under the Nelson amendment, the Secretary of the Treasury shall promulgate regulations establishing parameters for insurance rates for terrorism risk. That says ‘‘parameters.’’ It does not say he sets the rates. It says he sets the parameters.

Then what does it say? It says the Secretary of the Treasury has to consult in developing the regulations of setting those parameters. The Secretary shall consult with the National Association of Insurance Commissioners and appropriate Federal agencies. Then we go on to give an escape valve safety valve. The Secretary may periodically modify the regulations promulgated, as necessary, to account for the changes in the marketplace.

What do we do further on a safety valve? Then we say, under exceptional circumstances the Secretary may exclude a participating insurance company from coverage under any of the regulations promulgated. So we give all kinds of leeway and exceptions, and yet we set up a process by which we can determine if rates are actuarially sound.

Now, why is this important? It happens to be important because guess who is going to pay? If there is not an actuarially sound rate, guess who is going to pay? The consuming public. You say, oh, no, this is just on tall buildings. So it is going to be the owner of that building, but the big business. Not so. That is a cost of doing business that is passed on to the consuming public.

So whether it is a football stadium, a shopping mall, a tall building, a short building, wherever it is, a small business, a large business, that cost, that rate hike that so many in the real estate industry have decried because, in fact, they have experienced those rate hikes, as chronicled by this morning’s Washington Post, in downtown DC, rate hikes 50 percent and above since last September, where do we think that is going and who do we think is going to pay it? It is going to be the consuming public.

Because of that is why the Consumer Federation of America has endorsed this legislation. This is dated today. They say it would require the Secretary of the Treasury to set parameters for terror insurance rates. This is the Consumer Federation of America. It would require the Secretary to issue rebates for terror insurance premiums already, and I will explain that in a minute. It would require insurers to separately itemize terrorism rates on the insurance bill.

Let’s talk about those two provisions. Why would we want to separately itemize terrorism rates on an insurance bill? So the consumer will know how much of their premium they are paying for the terrorism risk, is all a matter of mathematics. It is all a matter of calculations. It is all a matter of what is supposed to be a determination to know if a rate is actuarially sound. If it is, as I hope it will be under the process that we are putting in place in this amendment, then the consumer ought to know how much it is they are paying.

If one has a bank statement and they have an extra charge by the bank, certainly they want the consumer to know what the bank is charging and for what. And so, too, with this. We set up a process which says they shall identify the portion of the premium insuring against the terrorism risk on a separate line item on this policy.

What we do also, as an accounting mechanism, is we cause the insurance company to deposit the amount of the terrorism rate increase in a separate, segregated account so it does not get mixed in with all the other premiums, so we can keep it highlighted, so we know what it is. Then when funds are disbursed to pay if a terrorist strikes and there is an obligation on the part of the insurance company to pay, then those funds would be distributed from that separate account. The consumer would know much of their premium, in fact, are paying.

The other thing the Consumer Federation of America says is that this Nelson amendment would require insurers to issue rebates for terror insurance premiums already collected. What do we do there? This is a little complicated, but the essence of it is, if there is a policy in existence and we know that rates have been jacked up already, as has been indicated by this morning’s Washington Post story, under the Nelson amendment, if law, the Secretary of the Treasury would say that the rate hike should not be this, which has already been imposed, but instead should be this high. What about the difference over the remaining life of that policy—it may be only a few months left because policies are issued on an annual basis, 1-year policies—that that difference is going to be rebated to the consumer. What does that mean? That means if the insurance company, as so many have already liked the rate hike by this morning’s newspaper story, up here, but the Secretary of the Treasury comes along and says after evaluating and consulting that the rate hike ought to be here, or how, then, for the remainder of the term of that policy, the difference is going to have to be rebated to the consumer or to the policyholder, in this case mostly commercial policyholders.

So what we have is a commonsense amendment. It is an amendment that not only will help the big real estate properties that have been putting the pressure on the majority leader to bring this to the floor because they are feeling the heat of all these increased rates, I don’t blame them. I sympathize with them.

They need to understand what we are trying to do. Instead of letting it operate in the sphere of the insurance company, the Secretary of the Treasury would be, the real way to regulate what those rates would be is to collect data through the Secretary of the Treasury that determines if the rate is accurate. This affects the big properties, but it affects little properties as well. This underlying bill applies to commercial property and casualty. Many of these policies are held by small businesses whose insurance premiums have increased exorbitantly, significantly raised the cost of running their business. Commercial policyholders will ultimately pass their premium cost on to consumers in the form of higher prices for products and services. Offering rate protection will allow businesses, large and small, to obtain affordable insurance, eliminating the need to pass their cost on to consumers.

Discussing the question of whether or not insurance companies have hiked rates since September 11, we saw in this morning’s paper:

Property insurance for the firm that manages the office building at 1700 Pennsylvania
Avenue will cost twice as much as last year’s $2 million premium.

That is the first paragraph of the story in the newspaper.

The second paragraph:
At George Washington University, insurers have cut the school’s former $1 billion property and casualty policy in half.

They cut the coverage in half, and they raised the premium at the same time 160 percent. That is the second paragraph.

The third paragraph:
The National Geographic has been dropped by its insurance provider because of the perceived threats to large concentrations of employees that are in the D.C. area.

This story, as well as many others, can give example after example of how insurance rates have been hiked, which in large part has caused a number of real estate trade associations to start sounding the alarm that the rates have gone up so much, they need some relief.

What has been said about this in the insurance industry? I am sad to say what has been said is quite revealing.

At the end of November, in a statement quoting a Lloyd’s of London investor newsletter quoted in the Washington Post, they said, when talking of the effects of September 11 on the insurance industry:

[There is a] historic opportunity to make profits off of 9/11. Disaster insurance premium hikes have shot up to a level where very large profits are possible.

Doesn’t that make your blood boil, that there would be people in the boardrooms of insurance companies who are considering the tragedy of September 11 as an excuse to hike insurance premiums big time? Doesn’t that make your blood boil?

Another quote from the CEO of Zurich Financial Services from a Reuters story at the end of November as well:

As respects to the terrorist attack of September 11, the industry in the United States, Washington DC. Most of America is not the financial district of the country; namely, Manhattan in New York City. Most of America is not the seat of Government of the United States, Washington DC. Most of America has found its commercial properties to be insured. Why? Because in the last 6, 7, 8 months, the marketplace has responded.

In the last half year, money, capital, investments are flowing into the reinsurance industry. Reinsurance is insurance for insurance companies to insure against catastrophe, such as the terrorism risk.

As a result of there being more supply of this money going into the reinsurance marketplace, the price of reinsurance has started to come down. As a result of the price coming down, because there is more capital available, it has started to ease the price that is being charged to most of America.

So here we are, coming along with an underlying bill that says basically we are going to hold the insurance company on any future conventional weapons terrorism risk only a little bit responsible. Instead, we are going to shift the cost of that terrorism risk over to the Federal Government of the United States.

For certain properties, I agree there is a legitimate need for the Federal Government to backstop insurance companies. These are primarily your trophy properties. Isn’t it because the insurance marketplace has responded over the last half year, we do not need to respond with this kind of legislation, and we surely do not need to respond with this kind of legislation in which we would likely limit the rate hikes that will occur.

Thus, I offer my amendment as a means of process.

Let me close by saying this: Let’s get it to its bottom line. Let’s get it to its political raw. I am afraid if you vote for this without the Nelson amendment, you or any Senator vote for this without the Nelson amendment, a legitimate charge can be made that the Federal Government is too big, that the biggest portion of the insurance terrorism risk without a limitation on the insurance premium hikes.

I do not think any Senator wants to be accused of that. I say again, the American public does not like you to vote for tax increases, but let me tell you there is something they do not like even more. They do not like people to vote on jacking up their insurance rates. You can make this a much better bill by adopting the Nelson amendment, which will put in place a process whereby the Secretary of the Treasury will determine if the rate is actuarially sound or if it is not. The Secretary of Treasury could be determining maybe it is not enough. Then again, he could be determining that maybe it is way too much.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. STERN. Mr. President, I thank my colleague from Florida for this amendment. Let me start out speaking for a moment about the underlying legislation. Then I want to speak about the Nelson amendment.

The underlying legislation is the Senate’s sitting on the whole question of affordable terrorism insurance. Over the past 6 to 8 months, I have heard from developers, lenders, and retailers in my State who are saying this is getting very expensive. Basically a lot of construction projects have been stalled or have fallen through the cracks. Some of the major landmarks in Minnesota, such as The Mall of America, have had trouble with their lenders. So I want to be honest with my colleagues, to me this is really about jobs. If the insurance is not there or it is too expensive, then the projects do not get built and planned development may not happen; jobs are lost. Therefore, I think the underlying bill is important.

That is why I support the Nelson amendment. What the Nelson amendment says is if the Federal Government is basically going to assume the financial risk of a terrorist act, then we should ensure that the insurance industry is passing on this risk in the form of lower insurance premiums to businesses.

The background of my colleague from Florida is in this very area, and he can speak about this with more expertise, but he is saying we do not want to end up giving private insurance companies a blank check to gouge businesses. That is the real danger.

In other words, if the problem the Senate is trying to address is the skyrocketing costs of terrorism insurance, and we address it by reducing the liability of the insurance industry to acts of terrorism, then we should make
The proposal has been that, once there is a cataclysmic loss, the Federal Government be the backup for insurance companies. The word that has been used throughout the debate is the "backup." In October, when we were first discussing an amendment that had a retention rate of $10 billion, which meant that private insurers had to lose $10 billion before we stepped in and started to pay 90 percent of the costs, $10 billion is a cataclysmic loss.

The Senator from Florida is simply pointing out that to come in now where the Federal Government is going to pay out money before there is a mega loss is going to create a situation where people have charged premiums and sold policies based on one set of circumstances. We are about to change those circumstances. In doing so, you are going to have a net wealth effect. There is no question about it.

I think the solution is to change the bill before us and require a higher level of loss—a higher level of "retention," as it is called in the industry—so we simply move back to insure the kind of loss that no one was able to insure against in any case. But I wanted to make it clear that there is some validity to the Senator's argument and concern about equity.

Having said that, I am very loathe to give up on the Government in the business of setting insurance rates. We have never done it before. It is something that has been done by the States. Those State regulations are still in place.

I know our distinguished colleague from Florida has been a State insurance commissioner, and he understands how difficult it is to set these rates. As difficult as it is for Florida and Texas, it would be more difficult for the Federal Government because we have never done it before. It is something that has been done by the States. Those State regulations are still in place.

I know our distinguished colleague from Florida has been a State insurance commissioner, and he understands how difficult it is to set these rates. As difficult as it is for Florida and Texas, it would be more difficult for the Federal Government because we have never done it before.

I simply, again, make the point that I made earlier; that is, I think there are two problems with this bill as it exists now. One is we are leaving victims unprotected against predatory lawsuits. The other is if we have had 10 months where insurance has been sold with no Federal backup. Also, the most critical point is that, if we want a reinsurance market to emerge, if we want to encourage syndication, you don't do that with individual company retention. I am afraid we are creating a hothouse plant here which will never get out of subsidization. We will never get out of this business if we leave the bill the way it is. I am not saying that the $10 billion retention solves every problem in the bill. It doesn't. But at least it forces companies to syndicate, and it forces companies to be willing to purchase reinsurance. That creates the profits to bring it into existence.

I intend to vote against the amendment of the Senator from Florida, but I wanted to make it clear that he has raised an issue that the current bill does not deal with. If this amendment is not successful, I hope we will find a way for dealing with it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have spoken to the Senator from Florida, the sponsor of this legislation. At approximately 3:15—he thinks that would give everyone enough time to say what they have to say, and we have a presentation to be made by Governor Ridge at 2:15—I alert everyone that we probably will have a vote at about 3:15 this afternoon on this matter.

Mr. NELSON of Florida. Mr. President, will the Senator yield?

Mr. REID. Mr. Nelson of Florida. Does that mean we will continue in session even while Governor Ridge is speaking?

Mr. REID. That is right.

Mr. NELSON of Florida. I ask unanimous consent that Senator CLINTON be a cosponsor of the amendment.

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

Mr. HATCH. Mr. President, on December 5, 2001, the Senate ratified two extremely important international treaties, the International Convention for the Suppression of the Financing of Terrorism, both of which further our efforts in the worldwide war on terrorism.

Under the terms of these treaties, which were negotiated under the auspices of the United Nations, the United States and the other countries who are signatories to the treaties, have obligated themselves to prohibit acts of terrorism, or in support of terrorism, within their national borders. The signatories to these treaties are committed to fighting the global war against terrorism.

I rise today to offer an amendment that would implement the terms of these treaties by creating new criminal offenses for terrorists who detonate bombs in public places, and for those individuals who aid terrorists by providing or collecting funds for use in terrorist activities. I had hoped that
there would be no need for such an amendment today. There is bipartisan support for passing implementing legislation.

I commend Senator LEAHY for supporting almost identical legislation that I am authoring and attempting to pass such legislation just last night. The bill was cleared on the Republican side. However, I understand that the Democrats refused to pass it. That is most unfortunate, and I am disappointed in the Senate’s failure to act.

This is critical legislation that we must enact promptly. As I have already stated, the Senate already ratified these treaties on December 5, 2001. the House of Representatives acted soon thereafter, on December 19, 2001, to pass a bill, H.R. 3275, which is identical to the amendment I am offering today. There has been overwhelming, bipartisan support for this legislation. H.R. 3275 was passed by a vote of 381–36. For that reason, I hope that the bill has been stalled in the Senate. I urge my colleagues to give their unanimous support to this amendment. The President of the United States, as well as Treasury Secretary Paul O’Neill, Secretary of State Colin Powell, and Attorney General John Ashcroft, have all voiced support for this implementing legislation. Indeed, we have an obligation under the treaties we ratified to enact this legislation.

Here is what my amendment would do. It would meet our obligations under the two treaties by prohibiting certain acts within our borders. With respect to the Terrorist Bombings Convention, the legislation would prohibit delivering or detonating an explosive or other lethal device in a public place, a transportation system, or a State or government facility. With respect to the Terrorist Financing Convention, the legislation would prohibit providing or collecting funds with the knowledge or intent that such funds be used, in full or in part, to finance an act of terrorism.

Mr. President, it is essential—now more than ever—that the United States maintain its position at the forefront of nations in opposition to terrorism. This legislation fulfills our obligations under the treaties we already have ratified. Identical legislation has already passed the House of Representatives. So I sincerely hope that we will adopt this amendment here today, and on its own, so that we can deliver it to the President to sign and thereby continue to lead the world in the fight against terrorism.

Now, could I ask the Parliamentarian, is it possible for me to offer this amendment as a second-degree amendment to the Nelson amendment? The PRESIDING OFFICER (Mr. CARPER). The Nelson amendment is subject to a second degree amendment.

Mr. HATCH. Then I will call up the amendment and offer it as a second-degree amendment.

Mr. GRAMM. Why don’t you just ask it be set aside and offer yours as a first degree?

Mr. HATCH. Mr. President, instead of doing that, I ask unanimous consent that we set aside the pending amendment, and I will offer this as a first degree amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. I object and suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Utah retains the floor during the unanimous consent request.

The Senator from Utah.

Mr. HATCH. Mr. President, I renew my request to set aside the Nelson amendment, and send an amendment to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Will the Senator from Utah yield for a unanimous consent request?

Mr. HATCH. Excuse me?

Mr. REID. Will the Senator from Utah yield for a unanimous consent request?

Mr. HATCH. I am happy to yield for such purpose.

Mr. REID. Mr. President, it is my understanding the Senator from Utah has asked—and everyone has agreed—that the Nelson amendment be set aside, and his amendment would stand separate from that.

Therefore, I ask unanimous consent that at 3:15 today Senator Dodd or his designee be recognized to offer a motion regarding the Nelson amendment.

The PRESIDING OFFICER. Is there objection?

Mr. NELSON of Florida. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. I would ask that you amend that unanimous consent request so that I have 5 minutes to close before the vote on my amendment.

Mr. REID. That would be fine that you would have 5 minutes and also that the minority would have 5 minutes. So we would begin that at 5 after 3 p.m.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The clerk will report the amendment.

The senior assistant bill clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 3639.

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

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

(The amendment is printed in today’s RECORD under “Text of Amendments.”)

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I rise to speak on S. 2600, the Terrorism Risk Insurance Act of 2002. Naturally, I supported the amendment of the distinguished Senator from Kentucky, Mr. MCCONNELL. I am very disappointed I was unable to speak on the McConnell amendment before the premature motion to table. I think most of us agree that something needs to be done in this area. What we need to agree on is how to resolve the issue in a prudent and responsible manner that provides the appropriate stability to our economy without exposing our taxpayers to an unreasonable financial burden. Let me begin by stressing the importance of this issue. Insurance plays a vital role in this country, not just in helping in the recovery after a tragedy, but in the day to day operation of our national economy. We all know the devastating impact the events of September 11th had on our Nation—the human cost alone. What some do not realize is the economic impact that has resulted and which will continue to have a negative effect on business, the normal flow of commerce, and especially the jobs of everyday Americans if we do not act and if we do not act responsibly. Insurance is necessary to the operation and financing of property and the construction of new property. Without insurance, our economic growth is in jeopardy, businesses will fail, and jobs will be lost. My constituents have come to me on multiple occasions, imploring that the Senate act on this issue. They are genuinely concerned about the negative impact lack of coverage will have on their businesses and on their employees.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated June 10, 2000, from the Treasury Department and signed by not only the Secretary of the Treasury but the Director of the Office of Management and Budget, the Director of the National Economic Council and the Director of Economic Advisors—all urging that the Congress address this issue, but, most importantly, all noting that it must be addressed in a reasonable and responsible manner.

Mr. President, I ask unanimous consent that letter be printed in the RECORD.

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

DEPARTMENT OF THE TREASURY,


Hon. Trent Lott,

Senate Republican Leader,

U.S. Senate, Washington, DC.

Mr. LOTT. The War on Terrorism must be fought on many fronts. From an economic perspective, we must minimize the risks and consequences associated with potential acts of terror. No measure is more important to mitigating the economic effects of terrorist events than the passage of terrorism insurance legislation.

On November 1, the Administration publicly agreed to bipartisan legislation negotiated with Chairman Sarbanes, Chairman Dodd, Senator Gramm and Senator Enzi. The House of Representatives promptly responded to this urgent need by passing appropriate legislation, the Senate did not act.
Mr. HATCH. My colleagues from Kentucky and Connecticut have already referred to this letter, but I would like to highlight a few of the specific points conveyed in the letter.

Quoting the letter:

In the first quarter of this year, commercial real estate construction was down 20 percent. The disruption of terrorism coverage makes it even more difficult for companies who are either new, reorganize, refinance property, leading to diminished bank lending for new construction projects and lower asset values for existing properties. The National Association of Home Builders, a major trade association, has said that more than $7 billion worth of commercial real estate activity has been suspended or cancelled due to the lack of such insurance. Moody's Investors Service announced that 14 commercial mortgage-backed transactions could be downgraded due to a lack of such insurance.

Without such protection, the economic impact of another terrorist attack would be much larger, including major bankruptcies, layoffs and loan defaults. While we are doing everything we can to stop another attack, we should minimize the widespread economic damage to our economy should such an event occur.

One important issue for the availability of terrorism insurance is the risk of unfair or excessive litigation against American companies following an attack. Many for-profit and charitable entities have been unable to obtain affordable and adequate insurance, in part because of the risk that they will be unfairly sued for the acts of international terrorists.

To address this risk at least two important provisions are essential. First, provide for an exclusive federal cause of action and consolidation of all cases arising out of terrorist attack like those included in the Air Transportation Safety and System Stabilization Act, as necessary to provide for reasonable and expeditious litigation.

Second, the victims of terrorism should not have to pay punitive damages. Punitive damages are designed to punish criminal or near-criminal wrongdoing. Of course such sanctions are appropriate for terrorists. But American companies that are attacked by terrorists should not be subject to predatory lawsuits. The availability of punitive damages in terrorism cases would result in inequitable treatment of parties, threaten bankruptcies for American companies and a loss of jobs for American workers.

It is also clear that the potential for mass-ive damage to companies that suffer from acts of terror would endanger our economic recovery from a terrorist attack. Indeed, the added risks and legal uncertainty hanging over the economy as a result of last September 11th are major factors inhibiting a business willingness to invest and to create jobs. It makes little economic sense to pass a terrorism insurance bill that leaves our economy exposed to such inappropriate and needless legal uncertainty.

The bipartisan public agreement reached between the Administration and Chairman Sarbanes, Chairman Dodd, Senator Gramm and Senator Enzi last fall provided these minimum safeguards. We would recommend that the President not sign any legislation that leaves the American economy and victims of terrorist acts subject to predatory lawsuits and punitive damages.

The American people and our economy have waited seven months since our public agreement on legislation. The process must move forward this week as action by the Senate on this vitally important legislation is needed now.

Sincerely,

PAUL H. O'NEILL,
Secretary of the Treasury.
about time that we do what is right around here rather than what is politically important to one side or the other.

This is a very important bill. I want to vote for it. I want to support it. I want business as usual to be rectified. I want the Federal Government to step to the plate. But I want them to do it under the right circumstances with well-written laws that will make a difference in the fight against terrorism but will not destroy companies or businesses or jobs which is what I think this current bill will do.

I appreciate the leadership of those who are trying to resolve this problem and who have brought this bill to the floor. I want to support them, but we have to start worrying about what works economically, what works legally, what is fair legally, what really should be done. We have to punish the perpetrators and not punish those who are the victims.

In many cases, the bill as written does not solve those problems. I think we should spend a little more time in trying to find some common ground to help resolve these problems.

Good trial lawyers don’t need punitive damages, but when they are really good, they can still get tremendous judgments and awards against those who are negligent, those who haven’t done what is right. But when you allow punitive damages, that can lead to runaway and other problems. As an example, States such as Nevada have had so many medical liability cases brought now that they are losing their obstetrician-gynecologists, neurosurgeons, and other surgeons. Physicians are going to other States or they are just getting out of the business. That is starting to happen all over America because we are not approaching these problems in ways that really make sense. On this bill, we ought to approach it in a way that makes sense. With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I believe Senator LEAHY from Vermont will talk to the Senator from Connecticut.

I know Senator LEAHY, the chairman of the Judiciary Committee, who was working his way over here to talk with the Senator from Utah. Maybe they can resolve this matter and there can be a way to deal with this rather than having us necessarily get caught up in ever extending the implementation of a convention in the midst of the terrorism insurance bill, which is of concern to me, that we would end up off on a tangent and not get the matter before us considered properly.

I see my colleague standing.

Mr. HATCH. Mr. President, I will be happy to work with the distinguished Senator and listen to any suggestions that are made.

I think it is very pertinent to this bill. I would like to work with him. I am open and will be happy to get our two staffs together.

Mr. DODD. I appreciate the comments of the Senator from Utah. I hope my other colleagues on the Judiciary Committee have read that. That seems to leave the door open for some possible resolution of the matter.

Let me address the Nelson amendment. My colleague from Florida has offered an amendment that comes in several parts. I will emphasize to him that the first parts of it deal with basically having the Secretary of the Treasury, as I read it, becoming an insurance regulator, a Federal insurance regulator.

I will hold some hearings, as the chairman of the Securities Subcommittee, with the permission and approval of the chairman of the committee, Senator SARBANES. But we will hold hearings at some point on the whole concept of a Federal regulator of insurance. That is a very important debate and discussion.

I know the Senator from New York, Mr. SCHUMER, has a significant interest in that subject, as does my colleague from New Jersey. It is a very divided constituency within the insurance constituency as to whether there ought to be a Federal regulator or not. That is going to require a number of hearings as to whether or not we want to make that step and move forward. I do not have a position on that issue one way or the other.

Mr. NELSON of Florida. Will the Senator yield?

Mr. DODD. I am happy to yield.

Mr. NELSON of Florida. Mr. President, the Secretary raised a very legitimate question. I think that ought to be hashed out. However, the Senator’s bill does self-destruct at the end of year 2002, unless it is extended by the Secretary for 1 year. Mr. DODD. That would be 1 year. The bill before us is only a 2-year bill. So it is 1 year and a second year if the Secretary of the Treasury agrees to it.

Mr. NELSON of Florida. That is correct. Therefore, we are not talking about this Senator’s amendment having any kind of permanent regulation of rates at the Federal level. Rather, we are looking at a process to affect this specific bill having to do with terrorism rates and the Federal Government is picking up 80 or 90 percent.

Mr. DODD. Mr. President, I will concede that point because this is a 2-year bill that sunsets. Obviously, we are talking about if all of a sudden the Department of the Treasury is not going to set rates and engage in all of the activities that a normal insurance commissioner would, on a Federal level it is going to require a rather significant step forward.

Let me address this. The point that the Senator from Florida was raising with which I agree—the language is different, but I think the point is the same. In the underlying bill, on page 12, lines 7 through 12, paragraph 2, under conditions for Federal payments: The payment may be made by the Secretary under subsection (e) unless . . . (2) the participating insurance company provides clear and conspicuous disclosure to the policyholder of the premium, insured losses covered by the Program and the Federal share of compensation for insured losses under the program.

In effect, it is separate accounting so that we have a very clear accounting procedure which allows that whatever premiums are collected for terrorism insurance would be accounted for separately from other premiums collected. The language the Senator from Florida has is even more explicit. It requires segregation of the funds and the like. I don’t disagree with him on that part of his amendment, that we ought to have separate accounting.

Secondly, in response to some comments made by my colleague from Utah there are substantial requirements. Let me remind my colleagues again, what we have done with the underlying bill is maintain the important role of State insurance commissioners. Rates will be set by insurance commissioners at the State level. Now they are done differently.

I will repeat the point. Under existing law in the 50 States, 40 States presently allow rates on property and casualty in the commercial field to go forward, and then the commissioner can rule that the rate is too high. In 10 States, the State law prohibits any rate increase prior to approval by the State commissioner’s office.

Under this bill, we do a number of things. One of the things we do here is follow what 40 States allow that. In other words, under this, we will allow for rate increases to occur, but we in no way undercut the historic role of State commissioners then to oppose a rate increase. So we maintain a very strong role for the insurance commissioners.

Why? Because, in my expertise is there. They have the shops and the personnel to do it. To all of a sudden allow one Federal regulator, the
Department of the Treasury, to do that would be asking too much, and it would be very difficult for the apparatus to be set up.

Mr. NELSON of Florida. Will the Senator yield for a series of questions?

Mr. DODD. Yes, Mr. Nelson, I will let me get through my statement. Let me tell you some of the reporting requirements we have here and why this would be.

The Senator's amendment does set up the Secretary of the Treasury to be the regulator. There may be Members who believe that is a progressive step. I think it is dangerous.

Secondly, it would have the effect of a price control, trapping capital for many issues that do not experience a loss attributable to acts of terrorism. I don't think we want to do that. We are not trying to facilitate a clogging up of the commercial process that is ongoing.

Thirdly, with regard to the reports, the Secretary must report to Congress 9 months after date of enactment on the availability and affordability of the insurance for terrorism and a reflection on the impact on the U.S. economy.

The Secretary must report to Congress 9 months after the date of enactment of the availability of life insurance and other lines of insurance coverage. We only deal with property and casualty. That is a legitimate issue being raised about other forms of insurance that we do not cover in this bill.

Also, participating insurance companies must report their terrorism premium rates to the National Association of Insurance Commissioners every 6 months. These reports will be forwarded from the NAIC to the Treasury Department, the Commerce Department, the Federal Trade Commission, and the General Accounting Office. These would submit a joint report to Congress summarizing and evaluating the data they receive from the NAIC. GAO will report to Congress on its evaluation of the agency reports. We are trying to get as much internal information as we can coming through here so we can provide additional data when it comes to rate increases.

There is a very important point to make about insurance commissioners. Insurance commissioners not only set rates, what premiums can be charged, but in every State they bear the responsibility of seeing to it that insurance companies that do business in their States are solvent. That is a critical issue for consumers. In fact, if they hold policies under an insurance company and that company lacks solvency, then obviously those consumers are in jeopardy of not having their claims paid if some event occurs. I am not just talking about terrorism insurance here. In fact, the dual responsibility of insurance commissioners is to not only set rates, but also to make sure that the companies themselves are solvent.

Again, this is not terribly complicated when it comes to the political questions. It doesn't take a lot to attack an insurance company. That is a safe bet politically. People don't like rate increases, and they know the difficulties they can have when claims are filed.

The problem is, if you are opposed to the idea of insurance companies, vote against the bill. I guess that is a simple answer; it is probably a safe bet if that is your view. It is your view or are you worried at all, as you ought to be, about the fact that banks are not providing the loans to major commercial enterprises because of the absence of terrorism insurance, and you hear, as we have, from the AFL-CIO, as well as others, that there is a growing job loss over this, it is causing a problem economically, and when you already have 10 percent of the commercial mortgage markets and the secondary-market-backed securitizations already in the first quarter not forthcoming, in the bond market, these are signals that we have a problem economically.

If you want the Federal Government to be an insurance company, you ought to vote for the amendment of the Senator from Florida. It is exactly what we did in World War II. If you believe it makes sense in the longer term to have the private sector involved in insurance and not the Federal Government, then it seems to me you ought to vote against this amendment and vote for the underlying bill. That is a choice you have to make. In a few hours, you can make that choice.

The amendment of the Senator from Florida runs the risk of providing a program that I don't think is workable, except for the point I mentioned earlier. I don't disagree with my colleague about having an accounting process that makes it possible for us to distinguish between premiums collected for terrorism insurance and for nonterrorism insurance. I hope that when this amendment comes up for a vote in about an hour, or less than that, my colleagues will do what I think is the responsible thing to do here, and that is reject this amendment. I have told my colleague from Florida I am happy to work with him on the provision dealing with the accounting question because I agree with him on that. I think we want to have a clear accounting so we know what is going on.

With all due respect—and he is a good friend, and I have great respect for him, and I admire the work he did as insurance commissioner of the State of Florida—providing the Secretary of the Treasury the ability to become an insurance regulator goes too far, in my view. To require segregation of these accounts entirely would run the risk of insurance commissioners at the local level being able to guaranty the solvency of those companies to do business in their States, which you know, as a former insurance commissioner, is a critical part of the function of an insurance commissioner at the State level.

For those reasons, I strongly urge that my colleagues reject this amendment.

I see my friend from Massachusetts. I am wondering what is on his mind. Let me suspend for 1 minute, Mr. President.

Our colleague from Massachusetts informs me there is a markup of a bill that may require the presence of both the Senator from Connecticut and the Senator from Florida.

Mr. NELSON of Florida. I will be happy to run downstairs with the Senator from Connecticut to make a quorum if we can come back and resume and I can ask the Senator a series of questions.

Mr. DODD. I am always glad to do it. I will be happy to hear the questions. I do not know how well I can respond to them.

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. DODD. 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. DODD. Mr. President, I have completed my remarks in response to the amendment of my friend from Florida. He has a series of questions, so I will be happy to yield to my colleague for the purpose of asking some questions.

Mr. NELSON of Florida. Mr. President, I thank my friend. Again, this was another experience where we had to temporarily suspend the debate in order to go downstairs to the Foreign Relations Committee to provide a quorum so we could vote out a very important piece of legislation.

First, I wish to ask a couple of questions about which we agree.

The Senator from Connecticut has a provision in his bill that says:

The participating insurance company provides clear and conspicuous disclosure to the policyholder of the premium charged for insured loss covered by the program.

“Provide clear and conspicuous disclosure.” Listen to the language in my amendment with regard to the same issue, and see if the distinguished Senator from Connecticut does not think that the language I have would not be something of an improvement by making it a little more specific. I am referring to page 2 of my amendment, line 18. The lead into it is:

If a participating insurance company increases annual premium rates on covered risks under subsection (a) . . .

(2) shall identify the portion of the premium insurance against terrorism risk on a separate line item on the policy . . .

As we put that there is it is my experience that if you do not nail down general language and be very specific, it will not end up on the policy on a separate line so that the consumer
I ask the distinguished senior Senator from Connecticut if he would consider that later on as a perfecting amendment but will be happy to work with him to tighten up, if he believes it is necessary, the language in the underlying bill. Obviously, what is before us is a much larger amendment that covers a lot of other subject matters other than just the issue of separation of accounting.

I will state for the record as well, he may prevail with his amendment. If he does, then obviously all of his language gets included. If his amendment fails when voted upon, then I will be happy to work with him to see if we cannot tighten up the language to such a degree that will satisfy him and satisfy our concerns as well.

At this point, for me, in the midst of a floor action, to work on language is not the most appropriate setting for doing that, and procedurally it is awkward, obviously, with an amendment pending. We have to set that aside and take language, and I prefer we do it in the way I suggested.

If this amendment of the Senator from Florida prevails, the issue becomes moot. If he does not prevail, he has my commitment to work on language to tighten up and do what he wants to do and what we are interested in doing as well, and that is getting a very clear accounting, have a very clear understanding of the difference between premiums collected for terrorism insurance and premiums collected for nonterrorism insurance, so we can get a proper understanding over the next 2 years or 3 years, depending on how long this program is going to go if other amendments are adopted.

The Senator already made note of the fact that we are dealing with a 24-month bill, and that is only the second 12 months if the Secretary of the Treasury decides to extend the program for an additional year.

As it is presently worded, this will expire if not reenacted over the next week or two and signed into law, let’s say, sometime around the middle of July. Twelve months from now this whole program will be over.

Our fervent hope is that by that time, the costing of this product and the other issues we talked about today will kick in and get the Federal Government out of this entirely and let the private sector deal with this issue as they have historically. But for the event in Florida, it would not be here.

The fact that there would be a $50 billion event, which vastly exceeded what the reinsurance industry could calculate would be the cost, has understandably caused the industry to back up in terms of its willingness to provide insurance coverage for events they no longer can cost out, at least effectively in their minds, absent, of course, a series of other events which no one knows will be the case.

That is what is going to happen next week or two, and signed into law, expire, assuming it is enacted over the next 2 years or 3 years, depending on what the Secretary of the Treasury decides to extend the program. If he extends it for 12 months if the Secretary of the Treasury wants to do that, at least I do not want to do that; others may want to do that. That is one of the issues, solvency.

As a former insurance commissioner, the Senator from Florida knows that no company can do business in his State unless they are solvent, unless they have in reserve adequate enough resources to respond to the claims that come after a natural disaster or other types of insurance that may be provided. So solvency is critically important.

If we start segregating accounts, we get into the issue of capital adequacy. So I think I would be unwilling to require segregation of accounts. I think if we have an accounting of them, we would achieve the same result.

Mr. NELSON of Florida. I will merely respond before I ask my next question because I am a seaprate matter because all the other premiums with regard to all the other risks—be it wind, hail, dog bite, slip and fall, construction malfunction, whatever the risk is—is not subsidized by the Federal Government at as we are doing with this bill where the Federal Government is taking a part of the risk.

It seems to me that it makes common sense that since the Federal Government is getting into the business of providing insurance in such a big-time way, that we ought to separate out the premiums in a separate account, purely from an accounting function, so there is no question that those terrorism premiums get commingled with all the other premiums and suddenly we do not know much that is.

I further ask the distinguished Senator, does the Senator’s bill require that premiums cover terrorism risk be used for terrorism losses only?

Mr. DODD. In response, I think the Senator is misunderstanding the bill. The bill is the same kind of concerns that our colleagues from Florida have raised. If we were talking about a permanent program, then my colleague’s case may have more validity.

If we look back at the language of the bill in our accounting, it requires in the language, as I read, a very clear and conspicuous disclosure to the policyholder of the premium charged for insured losses covered by the terrorism insurance program. Now, clearly it is not as clear and conspicuous as language could be.

For a 24-month bill, my point would be that we are overreacting by requiring the separate accounting. And not getting into the business of segregating accounts and all of the costs associated with that seems to me to satisfy and should satisfy a majority of us. I think people have looked at this and have the same kind of concerns that our colleagues from Florida have.

Mr. NELSON of Florida. If the Senator will allow me to continue with another couple of questions, I would merely respond to the distinguished Senator’s comments, that here is an example today on the front page of the Washington Post, that we are talking about rates being hiked using the terrorism risk as an excuse. Therefore, I clearly implore the Senate that it makes common sense, if rates are going to be hiked for terrorism risk, make sure it is those rates premiums that are paying the terrorism losses, and not going into the general fund and suddenly all of the premiums get jacked up. If we are going to jack rates higher than the Moon, then let us at least segregate them so they are there for what they are purported to be there for, and that is to pay for a terrorism loss. That is what I would propound to the Senator.
brakes on exactly the kind of story the Senator is reading from the Washington Post.

If my colleague is worried about premium rate increases, it seems to me that while our bill is not perfect, there is a greater likelihood we are going to be able to protect consumers more against rate increases having passed this bill, making the case that now there is a backstop so that the kind of exposure that they would be subjected to in the absence of this bill would be less.

If we do not pass this bill, if it is voted against, or a Federal regulator is created and there is a lot of other unnecessary bureaucracy, then we run the risk of not only what happened in Washington happening elsewhere—in fact, it is happening. We already know that terrorism insurance is not available in a lot of places, and where it is, it is very costly. We want to do what we can to stop the tremendous increase in these kinds of rates; what we are proposing is a start here. That is why, as well—I made the point earlier and I make it again—we need provisions on page 12 of our bill that there be a very clear disclosure of what premium rates are being charged. We put that right up front and conspicuous to policyholders, what the premiums are and what the distinction is between premiums collected for that and premiums collected for other forms of insurance.

We do not go as far as my colleague from Florida does by requiring segregation of accounts, but we think that provision for 24 months is a good consumer protection provision, and it will give us the kind of information we need to have.

The three reports I have mentioned are rather extensive involving the National Association of Insurance Commissioners, the GAO, the Commerce Department, the Treasury Department, the Federal Trade Commission, all requiring information be gathered so we can get, within 6 months, some clear indication of how this is working.

In conclusion, I say to my colleague from Florida, I will be the first to admit that I cannot tell him that the Senator from New Jersey; the Senator from Maryland; the two Senators from New York, Mrs. Clinton and Mr. Schumer; and I have written a perfect bill. If the Senator is asking me to say that, I cannot say that because we are in uncharted waters in many ways. So we are trying to respond to a problem that exists.

We know for a fact that there is a major slowdown in our economy because major projects have either been cancelled or stalled because they cannot get the financing necessary to go forward. The reason they cannot get the financing is because they cannot get the insurance. Every homeowner in America knows what I am talking about. If you do not get insurance, then their banker is not going to lend them the money for the mortgage. That is a fact of life. That is just as true in commercial enterprises as it is in residential.

With the absence of insurance, the banks do not lend the money. The projects do not go forward and there is higher unemployment and a slowdown of the economy.

If my colleague is looking for perfection, I cannot give it to him. All I can tell him is we are trying our best to frame something for 24 months that will reduce the spike in premium costs and have as a backstop the Federal Government, but the private sector try to solve these crises or problems in the interim, with us getting out of the business as soon as we can.

Mr. Nelson of Florida. Would the distinguished Senator from Connecticut yield for a further question?

Mr. Dodd. I am happy to yield.

Mr. Nelson of Florida. The Senator has made much of the fact that this would suddenly be the Federal Government getting into ratemaking. Of course, you would concede, would you not, that this is the first time the Federal Government would be getting into big time insuring an insurance risk?

Mr. Dodd. I disagree. Facts will show that in World War II we were the insurance company for acts of war. Acts of war occurred in World War II. The Federal Government was the party that paid the claims.

Mr. Nelson of Florida. And acts of war are covered by every insurance policy that I know of as a covered risk. It is exempt.

I say to the distinguished——

Mr. Dodd. I get nervous when he keeps calling me “distinguished.”

Mr. Nelson of Florida. You are not only distinguished, you look distinguished.

Mr. Dodd. You have a looking point, as well.

Mr. Nelson of Florida. You sound very distinguished, too, but I want you to answer my questions.

Mr. Dodd. Yes.

Mr. Nelson of Florida. The question is, since we have the Federal Government involved big time under your bill, 80, 90 percent of the risk is going to be borne by the Federal Government——

Mr. Dodd. My colleague has not read the bill. We are talking about $10 billion as the deductible level.

Mr. Nelson of Florida. Would the Senator concede under that complicated mathematical formula, often it is a fraction of a percentage of the total annual premium of a company that they will actually pay in an individual company in any one year?

Mr. Dodd. My colleague is getting away from the amendment. That is not part of the amendment. Are we talking the amendment or the underlying bill?

Mr. Nelson of Florida. Underlying bill?

Mr. Dodd. It is a formula, a debate. Senator Gramm may offer an amendment on how you prefer to do it. On most cases, you have a consolidation. You do not have one insurance company covering one building.

Let me finish. You asked a question and I will respond.

Under the bill, you cannot have all of a sudden some fictitious insurance company getting set up. It is only the companies in existence as of September 11. The rate structures have to be what they were at the time. One cannot have someone taking advantage of this bill to create the phony entities allowing them to take advantage of the situation.

In the State of Florida, talking about something such as Disney World, start talking about the stadiums in Miami, for instance, there is not one insurer that covers those events. There is usually a collection that do. The idea of maintaining solvency which laws require in each State—you could have a smaller company, obviously as part of the problem. How should you manage the percentage of the overall amounts are exceeded and the solvency of the company goes under, we have defeated the purpose of the legislation.

There is that distinction between industry-wide and company caps. That is why we drew that distinction.

Mr. Nelson of Florida. Maybe I could ask a question of the distinguished Senator to which he could give a yes or no.

First, I merely point out the fact with the Federal Government being so involved in assuming the terrorism risk, what will be charged for that risk is clearly a legitimate issue for the Secretary of the Treasury with the consultation of the States to determine what you ought to charge for that risk. Particularly given the fact that since this is only a 1-year bill and maybe a 2-year bill by the time you get to the end of the time, the 50 commissioners of the country would not have even had a chance to determine if a rate was actuarially sound. Usually that is done only when the insurance companies file those rates, when, in fact, these rates are already in effect as indicated by this morning’s newspaper.

Mr. Dodd. Let me say to my colleague, we are doing here what is done in 40 States. My colleague is right; in 10 States they do it differently. We tried to set up a system that made some sense. That is, you are right, the rates go into effect but we still retain the strong involvement of your State insurance commissioners to go forward.

I ask unanimous consent a letter be printed in the RECORD that I received from the National Association of Insurance Commissioners on this amendment and their concerns about the amendment of distinguished Senator from Florida.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:
States basically do not set rates for the Senator aware as a matter of prác-
ditional Federal oversight unnecessary. They have additional questions?
acting difficulties and added expense for in-
the insurance, or poor return on investments in recent months), not the potential or histor-
fiscally adopted a new version of the prop-
proposed. Putting such a monitoring mecha-
early legislation is short-term in nature.
The provisions on refunds of premiums would be very difficult to enforce. Given the uncer-
vary a little bit here and there, but we do nothing in this bill to undermine the ability of the State insurance commis-
sioner to ultimately set the rates if they do it differently. We defer to the States on this issue historically, and we did so again in this bill.
Mr. NELSON of Florida. If I may re-
the NAIC, National Association of Insur-
cence commissioners are satisfied
nearly adopted a new version of the prop-
state insurance commissioners to
We asked the National Asso-
the States they have ranges of rates, but is a general breakdown. Within some States there are rates, but the point being, the State insurance commissioner is the one that ulti-
mately, one way or the other, decides rates. How each State does it may vary

Mr. DODD. I defer in some ways be-
to the proposal. All I can tell you is that in this letter from the NAIC, the last line of their letter to me says:
At this time— Again, they are working on the issue. My colleague has conceded that point— the State regulators already have the ability to address this issue, making additional Federal oversight unnecessary.

Mr. President, does my colleague have additional questions?
Mr. NELSON of Florida. Yes, I do. Is the Senator aware as a matter of prac-
tice insurance commissioners of the States do not set rates for commercial policies?
Mr. DODD. I understand how it works in different States. My point is, with-
out getting into the minutiae of it, 40 States, as I understand it, allow in the commercial property and casualty area for rates to go forward if a rate request is made. They then retain the right to decide whether or not that rate is one they will accept. In 10 States, as I under-

To our knowledge, the Treasury Depart-
ment does not have the infrastructure need-
ed to monitor insurance rates as the amend-
proposes. Putting such a monitoring mecha-
ism in place could be cost prohibitive, particularly when the underlying federal leg-
islation is short-term in nature.
The separate accounting could cause re-
porting difficulties and added expense for ins-
urers, insurance regulators, and presumably the Treasury Department. The marginal ben-
fits and costs associated with collecting the information could outweigh the benefits that could be derived from the information. For instance, Section (b) requires a separate ac-
count for the “premium increase” and it cannot be used for anything but to pay for terrorism losses.

I hope this responds to your concerns.
Sincerely,

TERRI VAUGHAN,
Commissioner of Insurance, Iowa.
President, NAIC.

Mr. DODD. The key paragraphs deal with the underlying issue; that is, the Treasury Department does not have the infrastructure needed to monitor insurer insurance rates, or the amendment pro-
poses. Putting such a monitoring mecha-
ism in place could be cost prohibitive, particularly when the underlying Fed-
eral legislation is short-term in nature.

These are the State commissioners.
They say:
The separate accounting could cause re-
porting difficulties and added expenses for ins-
urers, insurance regulators and presum-
ably the Treasury Department. The marginal ben-
fits and costs associated with collecting the information could outweigh the benefits that could be derived from the information.

Lastly they say:
At this time, state regulators already have the ability to address this issue, making ad-
ditional federal oversight unnecessary.

Mr. President, does my colleague have additional questions?
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tice insurance commissioners of the States do not set rates for commercial policies?
Mr. DODD. I understand how it works in different States. My point is, with-

I hope my colleagues will understand we have put together what we think is the best proposal. We urge them to be supportive of it.
I have great respect for my colleague from Florida and his passionate con-
cern. He rightly points out the sense of people’s anger, frustration, and anxiety over rate increases, and he is correct. We need to keep as focused on the issues that we could, knowing that the cost was, on Sep-
tember 11, a minimum of $50 billion. We know today that reserves could only accommodate about 20 percent of that event. That is a fact. And we know there are projects and jobs being lost day in and day out in the absence of some kind of a backup, which is what we tried to craft.

Certainly for people in Washington, DC, already we know the costs are going up. I wish I could wave a magic wand and make it go away. I think the best we can do, as I said, is to pass this bill, and then the justification for those cost increases, at least of the magnitude we may be seeing, is cer-
tainly going to be minimized by pro-
viding some backup to this issue.

For those reasons, I urge the rejec-
tion of this amendment at the time the vote occurs. I see my colleagues from Nebraska and New Jersey. I do not know if they have any comments they want to make on this bill. If not, I can note the absence of a quorum. But if they want to be heard, I will be happy to yield the floor.

The PRESIDING OFFICER. The Sen-
a from Nebraska.

Mr. NELSON of Nebraska. I thank the Senator from Nebraska. I think major benefit from Connecticut for putting together, with the assistance of a lot of folks, a bill that I think can help take off some of the pressure.
Mr. DODD. I made a mistake. We do deal with workers' compensation here. I am sorry. We do not deal with life.

Mr. NELSON of Nebraska. I thank my colleague for a very able job, putting together a bill with the assistance of individuals who have a lot of experience dealing with these issues.

S. 2600 is a bill that I think can help bring some balance to the whole area that recognizes an increasingly imbalanced because of the events of September 11. The effects on our economy, our society, and our national psyche can never be overstated. They have adversely impacted the Nation's sense of security and stability, and our lives have been permanently changed in so many different ways that we could not have anticipated.

One cannot overstate the effects upon the families who lost their loved ones, on the individuals who have been injured, or the businesses who have been involved in the cleanup, or the insurance business, or the field of insurance in the commercial world. We must in fact respond to that.

I respect what I dealt with my colleague from Florida, my namesake, who has had similar experience to mine. But my experience has been different. That is, in fact, if we try to control the rates, it is absolutely antithetical to try to control rates at a time when we are not going to control the issuance of the coverage. We get the odd effect of not saying you must write it—and I hope we never get to the point where you must write this insurance, this line of coverage, that we never get to the point where that has to be required, but at the same time, if the rates are controlled, the market I do not think will continue to respond or have the opportunity to respond as if we passed the underlying bill without this amendment.

I respect what my colleague from Florida, my namesake, who has had similar experience to mine. But my experience has been different. That is, if we try to control the rates, it is absolutely antithetical to try to create a quasi-Federal rate control structure for a short period of time, or for a long period of time, we will not enhance the availability of insurance, we will get just the opposite result.

Therefore, I hope as we look at this amendment today—and it pains me to take issue with my friend from Florida, but I must in fact say this—it will not enhance the availability of insurance, in my opinion and from my experience, but it will in fact deter the growth of the market. It will help reduce the availability of the coverage and not enhance it, as does the underlying bill as it is right now.

Whereas it may be amended by other amendments, and I intend to offer one that in fact will enhance the availability of more terrorist coverage in the commercial lines in those areas that are currently being so adversely affected and impacted by the absence of this backstop, it is about jobs, it is about the economy, less so about insurance.

Mr. President, I yield the remainder of my time to the distinguished Senator from Connecticut.

Mr. DODD. Madam President, in the interest of time, I yield my time and leave the remaining time to the proponent of the amendment.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Florida.

Mr. NELSON of Florida. Madam President, I would like to close on my amendment.

This has been a good debate. Again, although I have serious reservations about this legislation, I did not prevent it from coming to the floor, which I could have done last night. I appreciate the distinguished Senator from Connecticut engaging in the colloquy, the series of questions and answers. I hope it is better understood.

I yield my time to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for an additional 5 minutes.

Mr. NELSON of Nebraska. Mr. President, what I am concerned about is if we adopt the current amendment to the underlying bill, while there is a temptation to try to control rates, it is absolutely antithetical to try to control rates at a time when we are not going to control the issuance of the coverage. We get the odd effect of not saying you must write it—and I hope we never get to the point of saying you must write this insurance, this line of coverage, that we never get to the point where that has to be required, but at the same time, if the rates are controlled, the market I do not think will continue to respond or have the opportunity to respond as if we passed the underlying bill without this amendment.

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Now I would like to make a couple of points before we vote on the amendment, and I will ask for the yea and nays.

First of all, I want to correct something the distinguished Senator from Nebraska said.

In fact, terrorism insurance under this bill is mandatory. That is the whole point of setting the system up whereby the Federal Government is coming in and backing up insurance companies. It is mandatory for all commercial property and casualty insurance. The insurance is there. The Federal Government is picking up most of the tab. If the loss occurs, who is paying? The consumer is paying through the premiums that have already been hiked as chronicled daily over the last 6 months, including this one in today's paper talking about a 300-percent increase in the last 6 months. That, in fact, is what has happened.

What should we do about it? We have to make insurance available. That is part of the reason for the underlying bill. But we also have to make it affordable.

When rates get hiked 300 percent, you are getting to the precipice of whether it is affordable.

Don't just think it is the big real estate conglomerates that are having trouble getting this insurance. This affects small businesses as well. Whatever the size of the business, these rate hikes are going to be passed on to the consumers as a cost of doing business. The huge rate hikes are going directly to the consumers.

I reiterate that consumers and taxpayers do not like to have their Senators voting to increase their taxes. Let me tell you what they do not like even more: They do not want their Senators approving legislation that causes rate hikes to be etched into law.

I come forth humbly and respectfully with an amendment that says we are going to put a process in place—that we are going to put this process in place that says the Secretary of Treasury is going to consult with the NAIC and other Federal agencies as to what ought to be the range of a rate hike or rate decrease, whatever is warranted; and, furthermore, where there has been the huge increase already, but then the Secretary says the rate increase ought to be there or not there for the remainder of that policy, that difference has to be rebated to the policyholder.

Naturally, this is stepping on some toes because it not only puts a process of logic in the handling of rates, but it can also rebates to consumers where the rates have been determined to be excessive.

Senators, hear me. This is a dangerous vote. Watch out what you are voting on as you vote on the Nelson amendment.

I ask for the yea and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. REID. Madam President, I move to table and I ask for the yea and nays.
The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announced that the Senator from California (Mrs. Boxer), the Senator from Hawaii (Mr. Inouye), and the Senator from Vermont (Mr. Jorgensen) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mrs. Boxer) would vote "no," the Senator from Hawaii (Mr. Inouye), and the Senator from Vermont (Mr. Jorgensen) are necessarily absent.

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

The result was announced—yeas 70, nays 24, as follows:

[Rollcall Vote No. 153 Leg.]

YEAS—70

NAYS—24

The motion was agreed to.

Mr. DODD. Madam President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Madam President, I move to reconsider the vote.

Mr. SENATOR FROM VERMONT. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Madam President, I know my colleague from Nevada wants to be heard for a few minutes as in morning business, I will make an appeal here, as I see the leader on the floor. I only know of a couple more amendments at this point. Maybe there are more. If there are, I would like to know about them so I can have some idea and let the leader know, or give the leader an idea as to how we are going to proceed.

I know Senator Gramm may have an amendment. I gather that Senator Hatch's may be withdrawn. I know there is an amendment by Senator Leahy. There will be a colloquy between Senator Collins and Senator Nelson. My colleague from Oregon, Senator Wyden, has an interest in an amendment as well. Senator Nelsen has asked for an amendment we may try to take up.

Those are the parameters at this point. There may be other amendments. If there are, let's get some sense of it so the leader can set a schedule.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DASCHLE. Madam President, if it is possible to go to third reading tonight or tomorrow morning, I would like to entertain that. The sooner we can do that, the better. Colleagues are interested in taking up the Defense authorization bill. That is something we hope we can take up very quickly. There are other issues out there that have to be addressed. So if it is possible to go to third reading tomorrow, I would like to be able to do that very much. If there are additional amendments, this is the time to offer them, or we will move to third reading shortly.

I urge my colleagues to come to the floor to vote. We have losses of almost $6 billion in the concept of being able to provide insurance for major losses. That is not just individual companies that are running into problems, it is a system-wide challenge to the fundamental concept of being able to provide insurance for our businesses.

Mr. HATCH. Will the Senator yield for a unanimous consent request?

Ms. CLINTON. Certainly.

AMENDMENT NO. 389 WITHDRAWN

Mr. HATCH. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from New York.

Ms. CLINTON. I want to give one example. I could literally give so many examples in this Chamber because they have flooded into my office and come to my attention and to my counsel's attention for weeks now. Francis Greenberger of Time Equities, Inc., a real estate investment firm, has confirmed to me that the insured they had before September 11 required their company to pay terrorism insurance for four properties: three in New York and one in Madison, WI, an apartment building.

They were required to insure the property in Madison, WI, against terrorism, despite the fact that it is clearly not near New York City. It is not an area where there have been a lot of threats, but, nevertheless, in order to get the terrorism insurance where it was needed in New York, the four properties were lumped together.

The cost of the premiums for these properties rose from $191,500 pre-September 11 to $664,300, an increase of 341 percent. Even with these
exorbitant premiums, the amount of terrorism insurance coverage that the company received for these much higher premiums was actually 50 percent less than the amount of coverage it had previously received.

In addition, the new policy excluded bioterrorism and nuclear attacks and had a deductible of more than $1 million. By any standard, that is a terrible burden to try to absorb, especially during an economic downturn in the wake of the terrorist attack on New York.

That is not by any means a unique story. I have heard many like it from not only real estate holders but construction contractors, stadium owners, sports teams, amusement park owners, banks, and not just in New York but people who do business, literally, all over the country.

The lack of insurance has affected the ability of many developers to close real estate deals, to complete old ones and to build new ones. So at least in our part of the world new offices, residential buildings, new hotels, and new entertainment centers are either on hold or being forced to expend much more money than any reasonable assessment should call for.

In addition, we know the insurance market ends on July 1, so there is urgency for us to act. I appreciate my colleagues on both sides of the aisle who are working to get this legislation passed as quickly as possible. It is such a priority for hospitals. Again, the New York insurance superintendent has reported that hospitals were the first New York business to experience significant difficulties in obtaining adequate and affordable property coverage for their facilities.

We also have problems with our major philanthropic organizations. They operate hospitals. They operate museums. We have an across-the-board problem in getting the kind of insurance that is required, and, in many instances, what has been offered is far from adequate. Many, as I said, exclude certain kinds of terrorism. They tighten up the definition of occurrence. Then they jack up the prices so that it is not affordable anyway, even though it is not very good coverage. In many cases, the insured has no choice.

I do hope we are not only going to pass it as soon as possible, but that we will recognize another area of difficulty, and that is with respect to workers' compensation coverage. Under New York law, primary insurers providing workers' compensation coverage cannot exclude terrorism coverage. Therefore, many primary insurers are dropping their policies and refusing to offer workers' compensation anymore at all.

I understand it was the intention of Senator Dodd that workers' compensation insurance would be covered by this bill under the general rubric of commercial lines of insurance. I have some concern, however, because a number of types of insurance are specifically defined, but workers' comp is not. I understand, though, that Senator Dodd will address this issue and will make it explicitly clear that workers' compensation coverage is also covered by this legislation. I wish to thank Senator Dodd and his staff for recognizing this potential oversight and moving to remedy it.

In conclusion, I am delighted that this bill is finally being debated. Many of us have been urging that it arrive as quickly as possible. We are now right in the crunch period because reinsurance in most instances disappears in just a few weeks on July 1. Workers' compensation is not even being written right now in New York in many instances, so we must move.

I have said from this floor many times in the last months that when New York was attacked, it was an attack on America. The economy of New York is absolutely crucial to the full recovery of America, and there is no more important legislation than the one we are considering now to ensure that economic activity resume at the highest possible level and that we not only put New Yorkers back to work but that, because of the dynamism of the New York economy, we send out that energy that will get our national economy moving in the right direction as well.

So I thank the sponsors. I look forward to the vote on this, and I appreciate support for this important legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, while the majority leader is on the floor, I want to certainly recognize the fact that this is an important piece of legislation. We have been told that people have wanted this for months, going back to last December. Here it is, Thursday afternoon and there is no one else on the Senate floor.

As the majority leader said and as I have tried to say in representing what the majority leader has said to me, really we have to move this legislation along. There is so much left to do without our being here doing nothing.

I would say as the leader said this morning, if there are no amendments, maybe we should move to third reading and offer the majority leader has been very generous saying people should have the opportunity to offer all the amendments they want. There will certainly be no rush to filing a motion for cloture.

But I just say to the majority leader, I hope everyone heard what the majority leader said earlier today, that we have to move ahead. Here it is Thursday afternoon and nothing is moving.

Mr. DASCHLE. Mr. President, if I could respond to the distinguished assistant Democratic leader.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. He is absolutely right. I have indicated to the distinguished Republican leader it was not my intention to file cloture today, even though obviously that is the prerogative of the majority leader. We have no designs to do that. But we also recognize that we have a lot of work to do. It is not my intention to file cloture today. I hope colleagues who have amendments will offer them and we can have votes on them. If there are no amendments, we will move to third reading sometime very soon.

If there are objections to moving to third reading, our colleagues are going to have to come over and physically object. We cannot waste what is valuable time on the Senate floor waiting for Senators to offer amendments if there are none. So we will make our best effort to determine the degree to which there are Senators who still wish to offer amendments. Time is running out. We will move to third reading shortly if no amendments are offered.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

GRANDPA DASCHLE

Mr. BYRD. Mr. President, with great pleasure, I call attention to a new Democrat's having been brought forth in this Congressional election year. With even greater pleasure, I point out that our distinguished majority leader has become a grandfather for the first time.

This new Democrat, Henry Thomas Daschle, arrived with the angels last Friday. Being a Democrat, I always welcome a new member of our party. Being a grandfather, I know the joy and pleasure that a grandchild brings.

There is nothing so wonderful as cradling in your arms a swaddled baby. It awakens in one so many emotions. It is a one-of-a-kind experience. A newborn fairy glows with freshness and the promise of the life to come.

But a grandchild is beyond special, and the birth of one's first grandchild is an experience nearly beyond verbal description.

The birth of one's own child is tempered by a certain apprehension. With this fragile baby, there also comes the responsibility of protecting and molding a tiny, dependant creature until that status arrives to manhood. Raising a grandchild is truly a delicate balance of bounteous love and serious responsibility.

But to become a grandfather and to see oneself being projected on, on into the eons in the future, one has really seen oneself being projected on, on into the eons in the future, one has really seen oneself being projected on, on into the eons in the future, one has really seen oneself being projected on, on into the eons in the future, one has really seen oneself being projected on, on into the eons in the future, one has really seen oneself being projected on, on into the eons in the future, one has really seen oneself being projected on, on into the eons in the future.
the diapers that one changes will be because one volunteers to change them. Won't have to do it. Somebody else can do it. But one volunteers to do it.

Shameless spoiling can be the order of the day without guilt. You can spoil those grandchildren and then let the parents take them home. Elder wisdom can be meted out with the sure, certain knowledge that admonishments will follow to “listen to Grandpa. He is wise.”

The first grandchild, so delicate, and yet so determined to join this turbulent but wonderful world, stirs the heart and vividly demonstrates man’s enduring link to the eternal. A grandchild is the sweetest, most profound likeness with treasured old photos in the family album. Grand babies and great grand babies are part of the long continuum of mankind’s collective experience on this lovely sun-washed planet. They are the reason we occupyants of planet earth strive to make life better and commit our resources to alleviate suffering and disease. The entire rationale for every effort to improve our world, and the millions and tens of millions of good works toward that end performed by home and school and church, the whole panoply of history, can be understood in an instant when one hears the tenuous first cry of a newborn child. It is a wonder beyond wonders; an affirmation of God’s love; and a tangible demonstration that hope is not a futile emotion. And how I would like to dedicate these few beautiful lines by William Wordsworth to Henry Thomas Daschle and to Grandpa Daschle:

Our birth is but a sleep and a forgetting; The soul that rises with us, our life’s star, Hath had elsewhere its setting. And cometh from afar; Not in entire forgetfulness, Not in utter nakedness, But trailing clouds of glory do we come From God, who is our home: Heaven lies about us in our infancy!

I extend my heartiest congratulations to Senator Daschle on his first grandson. With the best to his son, Nathan and wife Jill, who also had an important role in last Friday’s grand happening.

The PRESIDING OFFICER (Mr. Reid). The Senator from Nevada.

Mr. REID. Mr. President, I say to my friend from West Virginia, the distinguished senior Senator, how much I personally appreciate these kind remarks about Senator Daschle being a grandfather.

On the floor is my friend from Vermont. We have spent so many pleasant months, spending hours, I am sure, talking about our own children and how able and how well he and the Senate would be able to visit with our grandchildren. Senator Daschle will be a great grandfather. It takes those who are grandparents to really tell Senator Daschle, it will take a little while before he really appreciates what it means to be a grandparent of these beautiful children. No matter how calculated you try to be, you see those children as you.

I also congratulate my friend, Senator Daschle, on the birth of Henry Thomas Daschle. I have seen a picture of him, and as Senator Daschle told me, as far as I am concerned, he looks just like him.

Mr. LEAHY. Mr. President if I might add, I saw the same picture. Actually, Henry Thomas Daschle is better looking than our distinguished majority leader.

And we have so often rancorous debate, we are always so busy, it seems our dear friend, the senior Senator from West Virginia, has just come to the floor and bring us back to the human side of the Senate. He, knowing the Senate better than all of us, brings us back to the human side with poetry. My late wife used to read the Congressional Record every day looking for poems by Robert Carlyle Byrd.

And today to have those who are grandparents, as Senator Reid, the distinguished senior Senator from Nevada said, to pass on this wisdom to our majority leader. He is going to get this wisdom from us about being grandparents whether he wants it or not, but we will pass it on. It is the most wonderful thing of your life. This will be the first of two this year, and that makes it even better.

I might say to my dear friend, the majority leader, this is a very fortunate grandson to have him as the grandfather, just as the parents are very fortunate to have Tom and Linda Daschle to love and help this child.

The Leader will find there will come a time as the child gets a little bit older and is able to come to you with unreserved love, wanting to be with his grandfather, as busy and as peripatetic a life as have the busiest people, with the greatest responsibilities of anyone in this country, all of that will come to a screeching halt when that child—my dear friend from West Virginia and dear friend from Nevada know—climbs on to your lap and says, grandpa, can you read me this book or read me this story. It has probably been read a dozen times before. I don’t care whether your hotline is ringing, I don’t care whether 99 Senators are calling, I don’t care if the United States is calling, I don’t care if it is, you will find, of course, that book that you read 10 times already naturally, to get it right, you have to read it again. Your whole universe will go around that.

I congratulate you. Those who have been there know it truly is the best part of life. It goes beyond all the things you have accomplished which are so great. And it was your children who did the accomplishment for you. It is the best of all possible worlds.

I yield the floor. The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Mr. President, I am humbled and extraordinarily grateful for the generous words of my colleagues. Senator Byrd has honored me once several years ago when he was gracious enough to nominate me for the position of majority leader. Often times his words are repeated in introductions all over the country, and I have not forgotten that special moment. I will forever be thankful to him for those words on that day.

But I must say I am equally honored this afternoon that Senator Byrd would come to the floor and honor my grandson as he has this very joyous occasion for my family. I must say, I believe that the words just spoken will probably be read and spoken and reiterated and kept and treasured longer than the words spoken about my nomination as majority leader. They will probably terminate when I pass, but the words spoken to my grandson will go on for generations. So his willingness to come to the floor and speak as he has means so much to me. Just also say, would also say, I have learned from him as a Senator, that may pale in comparison to what I think I may learn from him as a grandfather. So I thank him for his kindness and for his willingness to make this moment in our lives special.

I do not have two dearer colleagues in the Senate than I do in Senator Reid and Senator Leahy. They are like family to us—to my wife and my children. Felt very honored to join in this very glorious day means so much to me. I am grateful to them for their generous words and for their willingness to join in this colloquy.

I had a special day today that I shared with Senator Byrd. Just this morning my daughter called very excitedly to say our second grandson will be a daughter. She will be born sometime in late October or early November. So we will have one grandson and one granddaughter this year. I cannot be more blessed. I cannot feel more hopeful and happy than I do today—first, to have the recognition for our grandson and, second, to know that this joyous occasion will be extended by yet another grandchild, who will be a granddaughter, later this year.

One of my friends once said that our children and grandchildren are messages to a future we will not see. I thought a lot about what that means, then the kind of measure are sending. I can only imagine the message the Byrd grandchildren and the Reid grandchildren and the Leahy grandchildren
Mr. SCHUMER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. SCHUMER. Mr. President, I ask to address the House—I mean the Senate. I am still used to the House, I am sorry. I had 18 years there. I ask to address the Senate on this issue.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Thank you, Mr. President.

Mr. President, I spoke briefly a bit earlier on this legislation, but now that we are getting pretty close to try to tie the final knot and get the bill done, I do want to address it once again.

First, again, I thank my colleague from Connecticut, Senator Dodd, who has worked very hard on this legislation. I also thank the chairman of the Banking Committee, Senator Sarbanes, who has been a good, careful

guide, and Jon Corzine, my colleague, as well.

The four of us have been laboring on this proposal for a very long time. I hope we can actually pass legislation tonight.

This is extremely important legislation. But it is deceptive. We are not getting many calls. When you walk into your local townhall meeting—or if I go into one of my favorite places, McGillicuddy’s Pub, on Quentin Road, they don’t say: Hey, CHARLIE, what’s doing on terrorism insurance? It is not an issue on the lips of the average citizen. But it affects the average citizen, and greatly.

The reason is very simple: Without terrorism insurance, large numbers of construction projects will not go forward. Banks will not lend unless they can have terrorism insurance. And insurance companies, while they are offering terrorism insurance in many cases, are offering that insurance at such a high price, many projects are simply not going forward. What does this mean for the national economy? It is a slowly bleeding cut on the arm of our economy. But every day, when a new project is not financed to build something large and grand does not go forward, is a day our economy is hurt.

The reason is very simple. Since 9-11, we fear terrorist attacks, and we fear them on large concentrations of economic wealth. They could be in cities—my city, of course, has many of these—but they could also be not in cities, Disney World or Disneyland in Florida and California. The Hoover Dam, every stadium, no matter where it is in the country, is suffering effects. We have heard from the owners of baseball and football about how their costs are dramatically rising. And it will continue to occur. In fact, it will spread. The dramatic increases in costs, the failure to do new projects will continue unless we do something.

I know there are some who believe: Well, the Government should not be involved. I strongly disagree. The Government has always been involved in cases of war. We have always been under the rule that in cases of war the Federal Government will step in.

Well, since 9-11, the rules of war have been redefined. Terrorism is war. So if we had no other, I would have a one-page bill, something similar to what I worked out with Secretary O’Neill, that would say: Should, God forbid, the next terrorist incident occur, the Federal Government will step in.

That is what we would do in the case of war. If, during World War II, the Germans or the Japanese had hurt the American homeland, that is what would have happened; the same thing with Korea, and the same thing when we faced the cold war with Russia. I don’t want to go in that direction now, but some have had objections. They don’t want to see the Federal Government’s role expand, even though if there was ever a place that role should be needed, and make sense, it is here. They have opposed that.

So we came up with a compromise. The Senator from Connecticut, actually, the Senator from Texas, Mr. Gramm, and I had a compromise that was put on the floor in late December. We tried to have a balance between those of us who believed the Government should be fully involved and those of us who felt—the other side, mainly—the Government should not be involved at all. We came up with a proposal.

Unfortunately, it did not come forward, not because of objections to the proposal but, rather, it ran up against the age-old whirlpool, if you will, of tort reform. It ran up on the shoals of tort reform, as many other proposals have in this body in recent years, and nothing got done. I was delighted to see the McConkie amendment do well. It ran up against the main reason that had it passed, we would not have had a bill. It seems we have stepped past probably the greatest impediment to the proposal, and now we have other issues. I want to talk about one of those.

Before I do, I want to make a few points. First, I want to talk about my city of New York and give people some examples. Examples could occur in their cities as well. I have talked to my friend from Illinois, Senator Durbin. I have talked to real estate leaders in Dallas and Houston and San Francisco and Los Angeles. In all of our large cities, the same thing is occurring.

Let me cite some examples: 4 Times Square, one of our newest, most beautiful buildings known as the Conde Nast building, is in litigation with its lender due to the absence of terrorism insurance coverage. The lender, La Salle Bank and CIGNA, had threatened to invoke the lockbox into which rents are deposited in order to buy $430 million in terrorism insurance, the amount of the mortgage. The insurer for the portfolio held by the owners of 4 Times Square has refused to write coverage for this building claiming it is high profile. Even if the $430 million of coverage was available, it wouldn’t cover any of the environmental risks, nor would the owner’s equity of $450 million in this building be covered.

In downtown New York, a 1 million-square-foot office building could not obtain refinancing for the underlying mortgage of approximately $200 million because terrorism insurance was unavailable. Finally, a lender agreed to go forward if the owner committed to pay $1 per square foot for stand-alone terrorism insurance coverage. At the same time that the owner faced that additional $1 million drain on cashflow, he had to absorb an increase in his regular insurance of $800,000. That additional cost did not cover mold or biological or nuclear or chemical events whether terrorist-generated
or otherwise. The owner now has a $1,440,000 additional expense.

A major REIT with properties in central business districts from New York to California can get only $250 million of insurance for the entire portfolio. And if a more terrorism incident—God forbid—it is likely that even this limited terrorism coverage will be lost given its uncommon 30-day cancellation clause.

A major residential and mixed use owner-builder renewed their all-risk insurance a few months earlier than the expiration date for that carrier and was about to lose its treaty agreement for reinsurance and could only write $5 million. The list can go on and on and on of buildings that couldn’t get terrorism insurance, that had to pay so much that it virtually made them non-economic, of new projects not started.

To simplify and blithely say the market will come in and cover this is not true. Just last Friday, another drain on the body economy of my city, but this is happening in other cities as well, Moody’s put 12 buildings in New York City on watch for possible downgrading of their bonds, the whole cost of financing, because of terrorism insurance. These include some of the premier large segment of the economy. In this case, the terrorism insurance risk is solving this problem on its own.

Terrorism Insurance Risky to Economy; Top Officials Warn of Continued Terrorism Risk

"I think we will see that in the future, I think it’s inevitable." (Source: Senate Majority Whip Harry Reid (D–Nev.) said June 4 on the Senate floor that action on the legislation is needed to maintain stability of the country’s economic infrastructure. ‘One issue we must seek to work on quickly, expeditiously, is getting a bill out of this body to address the growing problem of a lack of terrorism coverage due to the threat of terrorist attacks,’ Reid said.

Pointing to a similar move by Moody’s Investors Service May 31, Reid urged a committee to take immediate action on the White House to assist in moving the legislation. ‘Significant building projects, if not already on hold, could be placed on hold until the terrorism insurance issue is resolved,’ Reid said. (Source: Banking Daily 6/6/02)

"In just facing the facts, we have to recognize that some networks have relationships with terrorist states that have weapons of mass destruction, and that they inevitably are going to get their hands on them, and they would not hesitate one minute is using them," Rumsfeld said. ‘That’s the world we live in.’ (Source: Defense Secretary Donald Rumsfeld as quoted in the Washington Post 5/23/02)

The FBI also heightened anxiety levels in New York by advising officials that landmarks there could be terrorist targets. Officials said the advice was based on the same kind of uncorroborated information that has led to other notices to law enforcement in recent weeks about threats to banks, nuclear power plants, water systems, shopping malls, supermarkets and apartment buildings. (Source: The Washington Post 5/22/02)

We believe the Congress should enact a federal terrorism risk insurance backstop in a timely fashion for four primary reasons. First, lack of coverage and high premium rates imply a drag upon our economy and a burden to the nascent recovery, including the potential for a loss of even more jobs. Second, the cost of lost and postponed investment is substantially large for future economic growth. Third, inaction paralyzes the private sector. Finally, the economic impact of another terrorist attack could be just as grave as the September 11 attacks. (Source: Lawrence B. Lindsay, Assistant to the President for Economic Policy in a letter to Steve Bartlett and Edward C. Sullivan—3/18/02)

Federal Officials Sound the Alarm:

"I think there is still great urgency to pass the [terrorism insurance] bill, I think there is a very important level of exposure here that needs to be addressed." (Source: Senate Majority Leader Tom Daschle remarking on the issues at the White House 6/22/02)

"[Insurance] is a crucial aspect of a fairly large segment of the economy. In this case, it is impossible for insurance to [determine the risk for terrorism insurance] The problem is really the types of real estate activity being held up, whether delays in constructing new buildings and that sort of thing are having a significant impact on the economy." (Source: Federal Reserve Chairman Alan Greenspan, to the House Financial Services Committee 4/2/02)

"There is a real and immediate need for Congress to act on terrorism insurance legislation. The terrorist attacks on September 11 have caused many organizations to limit or drop terrorist risk coverage from their property and casualty coverage a move that leaves the majority of American businesses extremely vulnerable. This dynamic in turn threatens America’s insurance will wreak havoc on the entire economy in the case of future attacks.” (Source: Treasury Secretary Paul O’Neill in a statement issued on 4/6/02)

"The disruption of terrorism coverage makes it more difficult to operate, acquire or refinance property, leading to diminished bank lending for new construction and lower asset values for existing projects.” (Source: letter to Congress from Treasury Secretary Paul O’Neill, National Economic Economic Director Greenspan)
residential construction was off by 19 percent, while office building construction suffered a 32 percent drop over the last year." (Source: U.S. Census Bureau)

DIFFICULTY IN OBTAINING TERRORISM COVERAGE, Moody’s May Downgrade:

"Moody’s Investors Service has placed the ratings of 14 commercial mortgage-backed transactions on watch for possible downgrade due to concerns about terrorism insurance coverage. Moody’s stated that the insufficiency of near-term expiration of terrorism insurance coverage is the cause for these reviews for downgrade. (Source: Moody’s Investor Service Press Release 5/3/02)

"Billions of dollars in commercial mortgage-backed securities, or CMBS, may face ratings downgrades by the end of this month if terrorism insurance legislation continues to stall in the Senate. ‘If Congress doesn’t pass something soon we will have to start downgrading bonds by Memorial Day,’ said Sally Gordon, vice-president and senior credit officer at Moody’s Investors Service in New York, which monitors about $350 billion CMBS." (Source: Dow Jones Newswires 5/3/02)

"The National Football League and individual teams and stadiums have experienced difficulties in obtaining terrorism insurance coverage. The Miami Dolphins and New York Giants have joined the ranks of other teams around the country to have terrorism coverage in the wake of the Sept. 11 attacks. (Source: Bureau of National Affairs 4/9/2002)

"Today, terrorism insurance can be purchased at a premium, higher deductible and lower limit of coverage. High-risk assets that serve the most people face such steep cost increases. Although terrorism insurance may it often makes sense to purchase only a fraction of the original coverage or no coverage at all. And that’s if terrorism insurance can even be purchased. (Source: Dow Jones Newswires 5/3/02)

"The federal government warns another terrorist attack is possible, and insurance policies have 30-day cancellation clauses. Thus, after another major attack, availability is expected to disappear. Separately, capacity and concentration issues for insurance companies are expected to arise, even in the absence of another terrorist attack. There are only a few companies providing terrorism coverage for high-risk assets and at least one, Amtrak, has abandoned it in response to its threshold for tolerance." (Source: Merrill Lynch Research Report, Mortgage Backed Securities, 5/17/02)

"While acknowledging the insurance market and risk of terrorism is an evolving situation, rating agencies would gain comfort from a federal terrorism insurance program or an improvement in the insurance market. We have heard that the insurance market is more likely to evolve into a capacity-constrained market than it is to satisfy insurance needs on rely on the amount and quality of insurance to counter balance the increased risk of terrorist attacks then one must recognize that insurance coverage for terrorism acts has exclusions for losses due to atomic, biological or chemical terrorism." (Source: Merrill Lynch Research Report, 6/5/02)

"Premiums on standard property and casualty insurance have jumped by as little as 10 percent to as high as 300 percent for properties that includes the county jail and sewage treatment facility." (Source: Saxon Riley, Chairman, Bond Markets Stall on $7 billion in Commercial Loans, The Bond Market Association announced April 18 that according to a survey of its members who deal in commercial mortgage-backed securities, due to the high cost or unavailability of terrorism insurance for property owners, this year large lenders have placed on hold or canceled more than $7 billion in commercial mortgage loans. (Source: Bureau of National Affairs 4/22/2002)

"The Hyatt Corporation has purchased a site for a new hotel downtown Chicago at a cost of roughly $400 million. The company is now trying to obtain financing for this project but is being told that no large lenders will provide finance for terrorism, yet adequate terrorism insurance is unavailable. As a result, construction on the project has not been able to begin. The project is a collaboration of 250 jobs if the Hyatt Corporation can get insurance and proceed with the project." (Source: Bureau of National Affairs 4/9/2002)

"The Hudson River Tunnel Project is required: "Officials in Georgia’s Gwinnett County, an Atlanta suburb, have been able to find only $50 million of terrorism insurance coverage, as opposed to $500 million of property insurance that includes the county jail and sewage facility." (Source: Washington Post, 4/8/2002)

"The New York Metropolitan Transit Authority has $150 million of terrorism insurance to cover its bridges and tunnels, assets worth $1.5 billion. (Source: Washington Post, 4/8/2002)

"Some property owners are opting to go without terrorism insurance coverage. In the long-term, the complete lack of terrorism insurance coverage threatens a property owners ability to get financing for new projects or to refinance existing properties, as quoted by Tony Edwards, general counsel of the National Association of Real Estate Investment Trusts, Dow Jones 1/15/02)

"Building Projects Placed on Hold: "In downtown Chicago, Pritzker Realty Group LP cannot get financing to build an office building because the project does not have terrorism insurance." (Source: Washington Post, 4/8/2002)

"Casino developer Steve Wynn has halted plans to build a $2 billion development in Las Vegas, NV, with the new game plan to focus on "new job bets" because he cannot buy enough terrorism insurance to satisfy his lenders." (Source: Washington Post, 4/8/2002)

"Many Insurers Not Willing to Write Commercial Property Insurance: "Wells Fargo is threatening to throw a $275 million secret mortgage into default unless terrorism insurance is arranged for the collateral property the Oympal Hotel and Convention Center in Nashville. (Source: Commercial Property Alert 5/3/02)

"The result of 9/11 was a sizable reduction in the number of available insurers willing to write commercial property insurance. According to the President of March Risk & Insurance Services, the brokerage for the Golden Gate Bridge 3/23/2002)

"Wells Fargo & Company, one of the largest real estate lenders in the country, currently has no terrorism coverage that are ready to be funded. The only obstacle to moving these projects forward is the unavailability of terrorism insurance. They are: A $600 million real estate project in Manhattan. A $280 million retail project in Queens, NY. A $120 million commercial project in Oakland, CA. (Information supplied by Wells Fargo & Co.) Bond Markets Stall on $7 billion in Commercial Loans." (Source: Bureau of National Affairs 4/22/2002)

"The bond market can only offer a 32 percent drop over the last year." (Source: Tad Phillipp, managing director of Moody’s Investors Service, referring to lenders becoming wary about financing real estate deals, as quoted in the Wall Street Journal 11/1/02)

"The story is only half-told right now. Over the year it will grow in magnitude." (Source: Marty DePoy, speaking on behalf of the Coalition to Insure Against Terrorism, which includes the National Association of Real Estate Investment Trusts, the U.S. Chamber, the National Football League, the National Retail Federation, and the Association of Rose Bowl Sites, among several other diverse organizations 2/13/02)

"The entire market that provided workers compensation catastrophe reinsurance has been decimated. (Source: The &c)" (Source: The Nation’s Business, managing director, Marsh, Inc., as quoted in the Wall Street Journal 11/9/02)

"Higher insurance costs and fewer insurance options are going to affect the cost of doing business for all companies. It might take a while to hit..." (Source: Reuters 5/27/02)
the bottom line, but its something that affects the total company." (Source: James Shelton, regional risk manager at Manpower Inc., in Glendale, WI, as quoted by CNNMoney 7/1/02)

"The situation that we're in at the moment is analogous to getting into your car without your seat belt... If you're not in an accident, nothing's going to be affected. If you're in an accident, the results are going to be disastrous because you don't have the protection in place to protect you." (Source: David Maier, risk manager for the U.S. Olympic Committee, quoted by Dow Jones 7/2/02)

"Real estate likely will come in the secured lending market. Depending on the size of the building, it's going to be hard to get mortgage and [commercial mortgage-backed securities] done." (Source: Richard Kincaid, chief operating officer of Equity Office Properties Trust, quoted by Dow Jones 1/16/02)

"This is a national problem. Everybody needs shoes to walk. Suddenly, shoes are not available. Its as simple as that." (Source: Deborah N. Becket, executive vice president of the Real Estate Board of New York, discussing the lack of coverage for real estate owners, as quoted by the Washington Post 1/15/02)

"It's little strange. You could understand [higher insurance costs] at signature buildings like the World Trade Center. But the new building being built in Plymouth Meeting is facing the same soaring [insurance rates as the high-rises]. Its going to have had a pretty dramatic effect on tenants. I had a lender in here today who said they have had to postpone a couple of settlements because the escrow required for first-year premiums are prohibited." (Source: Walt D'Alessio, chief executive of Legg Mason Capital Markets, a national real estate finance company, as quoted in the Philadelphia Inquirer 1/14/02)

"Ultimately, [increased insurance costs for terrorism for coverage] all passes down to you and I when we go shopping. Most of those costs will be passed down to our tenants in their operating costs and then to the products, whether it is a pair of jeans or a pound of coffee." (Source: Steven Sachs, insurance risk manager for The Rouse Co., as quoted by Dow Jones 1/15/02)

"One of the lessons learned from Sept. 11 is that many insurers have concentrations of risks that they had not previously factored into their underwriting decisions. Employee groups of 1,000 or more lives are common across Corporate America and even globally. Terrorism step insurance is an insurance product which require us to maintain adequate insurance on our properties to protect against the risk of loss. If this were to occur, or if we were to lose insurance and our properties experienced damages which otherwise have been covered by insurance, it could materially adversely affect our business and the company's properties." (Source: Host Marriott, L.P., in an S-4 filing dated 1/10/02)

"Washington's decision to postpone any action on apportioning the burden for terrorism coverage could have long-term negative economic consequences for business and the general economy." (Source: New York City Partnership and Chamber of Commerce 211/02)

"Executives at the companies that service the hundreds of billions of dollars in commercial-mortgage-backed securities have already begun to question whether they are going to have to declare property owners in technical default if they lose terrorism coverage. These mortgage-servicing companies may have little choice. If they don't declare a default and the property is attacked by terrorists, they lose large chunks of bonds." (Source: Wall Street Journal 213/02)

"Sales and refinancing of high-profile office buildings and other trophy properties are slowing, as the real estate industry grapples with the lower availability and higher cost of terrorism insurance. Owners of properties that can't get terrorism insurance are reluctant to speak out for fear of scaring tenants and drawing attention to themselves." (Source: Jerry I. Speyer, president and chief executive of Tishman Speyer Properties, as quoted by Dow Jones 1/19/02)

"One developer in the New York area is close to finishing an office building for a solid tenant. [Its a company that has been around for decades and signed a long-term lease.] That's precisely why real estate lenders like. But the developers bank is no longer willing to finance the building because the owner cannot get adequate terrorism insurance. The developer has to sink its own money into the effort, it will tie up capital the firm could use to start new projects." (Source: Washington Post 1/15/02)

Mr. SCHUMER. I have quotes from President Bush who stated last month how important this was; from the Joint Economic Committee of the Congress, chaired by our Presiding Officer, from May 25; from FBI Director Robert Mueller; from Secretary Donald Rumsfeld; from Larry Lindsay; from Secretary Paul O'Neill; from Reserve Chairman Greenspan. All of these people are not known as people who believe the Government ought to come in and solve the problem at the drop of a hat. In fact, philosophically most of them are of the opposite view. They all felt the need to talk about terrorism insurance.

We have to move this legislation. We have to move, each of us could have our own idea on how to make it better, how to change it. We know things will fall apart. My guess is, if we don't solve this problem now, we are not going to solve it until a crisis is truly upon us, until this slow drain on the economy, which the lack of terrorist insurance is causing, becomes not a flow but a cascade. Then, of course, the damage will have been done, and it will be almost too late.

Finally, I want to talk a little bit about the per-company cap which I know is an issue that Senator GRAMM and I are debating. As you know, I fought hard to have this cap put in. The Senator from Connecticut, whom I mentioned while he was out of the room, has done a great job. He understood the position and put it in. It was at that point supported by the Senator from Texas in the final proposal that was made. This did not stand in the way.

Let me explain why this is so needed and why so many people are for this on both sides of the aisle. In the bill as now written, there is a default industry-wide benchmark for triggering individual company retentions in the first year. It goes to $15 billion in year 2, if the program is extended by the Treasury Secretary. That benchmark would result in substantial private insurer losses before the Federal backstop is triggered.

We didn't want the Federal Government in the compromise that came about—this was not to my liking—but it was intended to have the private sector in first until they were so limited because of the extent of the damage. God forbid, that they couldn't do it anymore. Well, if we didn't have this cap for a number of companies, the larger companies, the companies that created, again, most of the economic properties, the losses that they would incur before the Federal Government's involvement was triggered would equal those losses. They would be comparable to the losses incurred on September 11. And if every Insurer, they would exceed the losses sustained in any previous natural disaster.

In order for insurers to sustain such significant losses without risking insolvency, each company must be able to determine with some degree of certainty the outer bounds of terrorism exposure in actuarial terms, its probable maximum loss. And since January, the Coalition to Insure Against Terrorism, which is a broad-based business coalition, has worked for this kind of insurance that will bring the insurers back into high-risk property insurance. Per-company retentions are the way to do so. They are the best way to assure that the company is temporary because they will facilitate a quick transition to the private sector as insurers and reinsurers begin to develop underwriting relationships with even the highest risk policyholders.

The experience will make it easier to develop actuarial models for use after the Federal program expires because, as you know, unlike the wishes of many of us, this expires in a few years, depending on whether the Treasury Secretary does an extension. Any cap would also minimize Federal involvement since there is no need for Treasury to develop a formalized allocation procedure for determining each company's share of the aggregate industry retention or the quota share payment. Because the insurance industry comprises more than 3,000 competing firms, private insurers cannot otherwise get together...
and agree on a loss-sharing formula that would bind the industry as a whole. So inclusion of the per company retention in the legislation provides some certainty as to when the backstop is triggered for each insurer, without a dangerous Federal bureaucracy to allocate the losses.

The bottom line is that we need this bill. We need the per company cap to make it work—particularly for large properties, particularly for areas of high economic risk. I urge the Senate to pass S. 2600 without retaining these restraints. It is the right solution to an ongoing problem that threatens insurers, policyholders, and the economy at large.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. Nelson of Florida). The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I rise to speak on the pending legislation concerning terrorism reinsurance. I believe that December—December 13, I believe—I spoke here urging the leadership to bring up bipartisan legislation that was at the time being negotiated between the White House and the Senate Banking Committee. Unfortunately, the legislation we debate today does not reflect those discussions. At that point, I thought we had a good start on a bipartisan terrorism reinsurance effort.

The availability and affordability of insurance is vital to the stability of our Nation’s economy. Now that we know terrorists can and have struck in the United States, and have struck against major buildings, insurance is going to have to change because the insurance is going to have to cover risks that were never before recognized as being legitimate in this country.

We hear reports from all over that many insurance and reinsurance companies are no longer able to provide the insurance coverage that is necessary for businesses and buildings, for those owning buildings, to get the kind of financing they need or to have the protection they need for the resources they put into those buildings.

At this moment, affordable terrorism risk insurance is not attainable by many businesses, both small and large—apartment and condominium buildings, shopping centers, as well as many cultural institutions. Recently, the St. Louis Art Museum was identified by the Economic Development Committee as not being able to afford terrorism insurance. As a result, the museum is not covered. I am positive there are many entities across the country facing the same situation as the museum.

I know major sports facilities, including ones in my State, are in a position where they cannot get the terrorism risk insurance they would need to add new construction, or even to continue their operations. The fact that terrorism has struck our country has a double impact on us. First, what we are facing is a position where insurance companies are not able to write and insure against and to ascertain the level of insurance risk that might be brought about by terrorist acts. It is unacceptable that we hold large segments of our economy hostage to the acts of terrorists.

Right now, many small business and small property owners are at disadvantage. We have seen in New York, and we have seen in Florida, and we have seen in other parts of our country the impact of increased terrorism insurance premiums. They are not only faced with increased property insurance costs, but they are facing workers’ compensation insurance costs, health insurance costs; and without affordable insurance, many small businesses and small property owners are simply forgoing insurance. That is bad business. Those that have elected to pay much higher insurance costs are finding they have to pass this cost along to their customers, renters, leaseholders, and others. This could have a tremendous impact on our economy.

We are hearing about major construction projects coming to a halt across the country as lenders and major financing institutions are seeking, but unable to get, terrorism risk insurance. The Bond Market Association has stated that more than $7 billion worth of construction projects are on hold or have been canceled due to the lack of affordable terrorism risk insurance.

Rating organizations have issued warnings in the past 2 weeks that large securitizations are in jeopardy of being downgraded. We are trying to get out of a recession. The economic recovery that we expect and that we need is in grave danger if we do not provide a means of reinsuring the risk that has now become a reality in this country with possible terrorist acts. This is an unknown at this point, and this is the time, and this is something in which the Federal Government could play a very significant role. That is why good terrorism risk reinsurance legislation must be provided.

I also spoke with my colleague from Kentucky that businesses that are victimized by terrorist attacks should not be subject to punitive damages. Now, unfortunately, on a party line vote, we rejected the standard my colleague proposed. I hope we can find other means of compromise to ensure that a business owner or a business that is struck by a terrorist act is not also struck by a punitive damage action that could be economically as devastating as the terrorist act.

We cannot and should not hold our major economic engines hostage to the threat of punitive damages on top of a terrorist act. I hope we can agree on a means of avoiding this kind of risk to those who have businesses or property that might be subject to a terrorist attack. As I said back in December, this is a potential problem. I believe now it is a problem. I think our recovery from the economic downturn, the recession, has been slowed because the business community—especially small businesses from which I hear—are really in a position where they cannot go forward and, in many instances, they cannot get financing without terrorism insurance, and most insurance companies are not in a position to offer that.

So I hope we can move with a good piece of legislation that will provide the temporary reinsurance by the Federal Government to allow us to get back to the normal business of building facilities, building shopping centers, operating cultural facilities, and conducting business.

Mr. President, I look forward to working with my colleagues. I hope we can get a good product, and I hope we can do it very quickly so we can get our economy moving again.

I thank the Chair.

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

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

AMENDMENT NO. 3842

(Purpose: To implement the International Convention for the Suppression of Terror 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, and for other purposes.)

Mr. SANTORUM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] proposes an amendment numbered 3842.

Mr. SANTORUM. 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 printed in today’s RECORD under “Text of Amendments.”

Mr. SANTORUM. Mr. President, a clarification for Members. This is the same amendment that Senator HATCH proposed earlier today. I understand Senator HATCH engaged in some conversation with Senator LEAHY about withdrawing his amendment. I think it is vitally important for the Senate to vote on this amendment. It is an important amendment. It is an amendment that is relevant to this bill because it deals with terrorism.

We had the same agreement yesterday, I understand, to vote on this amendment. We had consent to do so, and there was an objection filed at the last minute. We suspended the session and will not be back until next week, and I think it is important we have a record vote.

Mr. REID. Will my friend yield for a question?

Mr. SANTORUM. I will be happy to yield.

Mr. REID. I have just been informed—and this may be something of
which the Senator is not aware—Senator Hatch and others have been working on this in the last few minutes, and we have something we believe can be completed in wrapup this evening that takes care of the matter.

I suggest my friend take a look at this. I am not too sure about the subject matter very well, but I assume Senator Hatch and Senator Leahy have worked it out.

Mr. Santorum. I will be happy to deal with this as a separate matter as long as we get a vote on it. I am just looking for a vote. This is an important piece of legislation that deals with terrorism, the implementation of a treaty on terrorist bombing. It is an important vote. It is the implementation of a treaty that we passed last year. There are criminal code sections dealing with terrorist bombings, as well as people who are financing terrorism. It is an important legislation. I think it is something on which we would vote.

I am not being critical of what Senator Leahy and Senator Hatch did. I just think it is an important legislation that should be voted on in the Senate.

Mr. Reid. Will the Senator yield for one more question?

Mr. Santorum. I will be happy to yield.

Mr. Reid. If the Senator wants a vote, we can and should have a vote. It is my understanding Senator Hatch and Senator Leahy have worked out a substitute. It will be passage of S. 1770, the Terrorist Bombing Convention Implementation Act of 2001.

Mr. Santorum. Right.

Mr. Reid. We were going to do this by unanimous consent this evening in wrapup. I assume it will be easy to work out a vote.

Mr. Santorum. If we can work out a vote on this legislation, that will be amenable to me. I will be happy to put us back in a quorum call and see if we can arrange that.

Mr. Reid. What I suggest—and I will be happy for the Senator to continue his statement—maybe in the near future he can look at this and see that Senators Hatch and Leahy agree to have a vote on this issue.

Mr. Santorum. My concern is to have a vote. I would be comfortable to have a vote on that legislation which, while I understand it is not identical to the amendment I offered, is legislation that accomplishes the same purpose.

Why don’t I suggest the absence of a quorum, and we can see if we can work this out.

The Presiding Officer. Does the Senator suggest the absence of a quorum?

Mr. Reid. Will the Senator withhold his request?

Mr. Santorum. I will be happy to. The Presiding Officer. The Senator from Nevada.

Mr. Reid. Mr. President, while the Senator is in the Chamber, we can certainly talk about this, there is no reason not to do this. I think the chairman and ranking member would like to do this separate and apart from this bill. This way, we can send a free-standing bill to the House so they can work on this issue, and it will not be tied up in this legislation.

Mr. Santorum. Again, I am fine with that. My concern is to get a vote on it. I am just looking for a vote in this way, but my concern is we vote on this legislation.

Mr. Reid. I say to my friend from Pennsylvania, we will try our very best to work with him. We have Senator Leahy’s staff here. Senator Hatch’s staff is not here, but they will be here shortly. We will work on trying to do this separate and apart from this legislation.

Mr. Santorum. I thank the assistant majority leader.

Mr. Reid. 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. Dodd. 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. Dodd. Mr. President, it is now after 5 p.m. We are hoping to get this done. It could go into the end of next week. I know the majority leader is trying to bring up the Defense authorization bill. I am more than happy to discuss legislation in this area. People have them, bring them up and see if we cannot finish this legislation. It is possible we can get it done this evening.

The majority leader has indicated if we can complete this bill this evening, there will be no votes tomorrow. We will then complete the process and next week, I guess, move—I do not want to speak for the leadership—but I gather there is a strong indication we will move to the Defense authorization bill. We will have to do other legislation, if not Defense authorization.

I was hoping in the next hour or so we could get some time agreements on amendments. Otherwise, my fear is we will end up into next week, and if that is the case, then people will be slowing walking this bill.

I appreciate the comments of the Senator from Missouri. He made a fine speech about the importance of this legislation. There is a consensus that to offer amendments to terrorism insurance. It is causing economic problems for our country, for all the reasons I identified.

Certainly I am happy to entertain and debate relevant amendments that deal directly with this bill and move on these, either accepting them or defeating them. Let’s see if we cannot get this bill done. We started it early this morning. We have already dealt with a couple major amendments. We have accepted some colloquies that have been offered as an alternative.

We are going to end up in a conference with the other body. There are substantial differences between both of these bills. It is going to require continued work and labor. Those who are concerned about getting something done, let it be known I am fully prepared to entertain amendments. I will offer time agreements to try to wrap them up early, but if this goes on much longer, I presume the leader will consider having to file cloture, and then we will have to limit amendments, at least limit them to relevant amendments.

It is now almost 5:30, and I hope we may get a couple more amendments done. Particularly some of those that are outstanding that I know need to be debated and considered. The quicker that is done, the more rapidly we can conclude work on this bill and vote it either up or down, but we will have dealt with terrorism insurance.

Mr. Reid. Will the Senator yield for a question?

Mr. Dodd. I will be happy to yield to my colleague.

Mr. Reid. The distinguished Senator from Connecticut with whom I have been on this floor when considering major pieces of legislation—we do not have a better manager in the Senate than Senator Dodd. He does a wonderfully outstanding exemplary job. He is here ready to work.

Yesterday afternoon, we finished the estate tax debate. The majority leader at that time wanted to move to this legislation, but Members who were interested wanted to make opening statements and offer amendments, but the majority leader said: No, they say they do not want to; go ahead and agree with that.

Now here we are today, not much happening all afternoon. The majority leader did decide to file cloture today and Members would yell and scream saying this is the first day.

It is not really the first day. We wanted to do it yesterday. Tomorrow is Friday, Monday is already a scheduled no-vote day, but that does not mean it is a no-amendment day. Tomorrow we may not work a full day as we normally do with votes all day, but this body will stay in as late as anyone wants to doni offer amendments or say.

So the Senator is absolutely right. We are going to finish this legislation. I say to my friend, and I think he is aware of this, all of the industry groups all over America that are interested in this have sent letters and e-mails to all of us in this legislation. They are saying they support cloture on this.

Everybody is tired of this. We have danced since late last year on this legislation. We are going to complete this legislation. It is only a question of whether we do it tonight or whether we do it next week sometime. Will the Senator agree?

Mr. Dodd. I agree with that.
Obviously, it helps the work of the Senate if we can complete it this evening, but tomorrow morning would make more sense. We still have a lot of work to do in conference to get this done, I know the administration is interested in the quorum call that the majority leader and the President, and many others. My colleague from Nevada mentioned the various business groups that are interested. I should also note that the building trades, the AFL-CIO, have sent a strong letter in support of this provision. It is one of those rare occasions when groups that sometimes are antagonistic to each other on a legislative effort have come together and have, for months now, asked that we respond to this. So we are hopeful to get this done.

Again, I will stay here as late as anyone wants. I will make time tomorrow. I will make time next week. We are going to get the bill done one way or the other. It serves everyone’s interest to try to complete this work sooner rather than later.

I merely wanted to make those points to our colleagues who are wondering what the schedule will be. Obviously, the leadership will make up its own mind about how to proceed, but it certainly would be in our interest—we have been here a couple of hours with really no amendments. I know there are some. If people have them, come over and offer them. We will happily consider them. I do not include in that group the Presiding Officer, who offered a very strong amendment, who is now working with us and is working on another amendment trying to work things out, but it is relevant to the subject matter of the bill.

I hope those who have amendments will offer them, withdraw them, or offer some alternative we can consider as we go into the conference, if the bill is passed.

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. BROWNBACK. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk continued with the call of the roll.

Mr. BROWNBACK. 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. BROWNBACK. Mr. President, the Senator from Virginia, Mr. ALLEN, will be here momentarily and will ask to set aside the pending amendment in order to offer an amendment on terrorism to the settlement agreement from frozen assets of terrorists, terrorist organizations, and state-sponsored terrorism, and others.

I thought since we had a moment I would address this issue. As I understand it, the majority leader will be coming out shortly to make announcements, and I will be happy to yield the floor at that time.

I assume the amendment can take up this issue on the floor and that it can be considered before the body, allowing people to be able to consider this. There are a number of people who have been harmed greatly, and family members have been killed by terrorist organizations. Congress needs to provide a means for satisfaction. This is one way that it could be taken care of.

If I may reply to those who say this particular bill is not the appropriate vehicle, we have a limited number of vehicles left in front of this body. This is the appropriate point in time for us to be able to bring this forward.

I understand the Senator from Virginia will be bringing it forward so it can be worked out, and the administration and Congress is coming forward with other ways and means of dealing with it. Yet I am still hopeful that we can get this taken care of on this particular bill.

I note there has been a lot of pressure to get this bill wrapped up.

I understand the Senator from Virginia has been caught in traffic and is trying to get here to offer his amendment. I would like to see us take up this amendment and have it considered and moved forward.

He asked me, through his staff, if I would bring up this amendment. If we could consider this important piece of legislation in front of this body, I think this would be very valuable. If we could allow this to take place, I think it would be a positive note.

I yield the floor. 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. ALLEN. 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. ALLEN. I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

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

Mr. ALLEN. Mr. President, I call up amendment No. 3838.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. ALLEN], for himself, Mr. BURNS, Mrs. HUTCHISON, Mr. SMITH of New Hampshire and Mr. WARNER, proposes an amendment numbered 3838.

Mr. ALLEN. Mr. President, I present an amendment that further reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide for satisfaction of judgments from frozen assets of terrorists, terrorist organizations, and state sponsors of terrorism, and for other purposes)

At the appropriate place, insert the following:

SEC. 3. SATISFACTION OF JUDGMENTS FROM FROZEN ASSETS OF TERRORISTS, TERRORIST ORGANIZATIONS, AND STATE SPONSORS OF TERRORISM.

(a) In general.—Subject to any other provision of law, and except as provided in subsection (b), in every case in which a person has obtained a judgment against a terrorist party, or in the case of a claim based upon an act of terrorism or for which a terrorist party is not immune under section 1605(a)(7) of title 28, United States Code, the blocked assets of that terrorist party (including the blocked assets of any agency or instrumentality of that terrorist party) shall be subject to execution or attachment in aid of execution in order to satisfy such judgment to the extent of any compensatory damages for which such terrorist party has been adjudged liable.

(b) Presidential waiver.—

(1) In general.—Subject to paragraph (2), upon determining on an asset-by-asset basis that a waiver is necessary in the national security interest, the President may waive the requirements of subsection (a) in connection with (and prior to the enforcement of) any judicial order directing attachment in aid of execution or execution against any property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations.

(2) Exception.—A waiver under this subsection shall not apply to—

(A) property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations that has been used by the United States for any non-diplomatic purpose (including use as rental property), or the proceeds of such use; or

(B) the proceeds of any sale or transfer for value to a third party of any asset subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations.

(c) Special rule for cases against Iran.—Section 2002 of the victims of trafficking and violence protection act of 2000 (Public Law 106-386, 114 Stat. 1654) is amended—

(1) in subsection (a)(2)(A)(i), by inserting after “July 27, 2000” the following: “or before October 28, 2000”;

(2) in subsection (b)(2)(B), by inserting after “date of enactment of this Act” the following: “;less amounts therein as to which the United States has an interest in subrogation pursuant to subsection (c) arising prior to the date of entry of the judgment or judgments to be satisfied in whole or in part hereunder.”;

(3) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(4) by inserting after subsection (c) the following new subsection (d):—

“(d) Distribution of foreign military sales funds inadequate full amount of compensatory awards againstiran.”
such date, make payment from the account specified in subsection (b)(2) to each party to which such judgment has been issued a share of the amounts in that account which are not subject to contribution to the United States under this Act.

"(B) The amount so paid to each such person shall be calculated by the proportion that the amount of compensatory damages awarded in a judgment issued to that particular person bears to the total amount of all compensatory damages awarded to all persons. Such judgments have been issued in cases identified in subsection (a)(2)(A) as of the date referred to in subparagraph (A).

"(2) Nothing herein shall bar, or require delay in, enforcement of any judgment, to which this subsection applies under any procedure or against assets otherwise available under this section or under any other provision of law.

"(3) Any person receiving less than the full amount of compensatory damages awarded to that party in judgments to which this subsection applies shall not be required to make the election set forth in subsection (a)(2)(C) in order to qualify for payment hereunder."

(d) DEFINITIONS.—In this section:

(1) "Terrorist" means a terrorist, a terrorist organization, or a foreign state designated as a state sponsor of terrorism (as defined in the Export Administration Act of 1979 (50 U.S.C. App. 2405(i)) or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371)).

(2) The term "blocked asset" means any asset seized or frozen by the United States in accordance with law, or otherwise held by the United States without claim of ownership by the United States.

(3) The term "property subject to the Viennena Convention on Diplomatic Relations or the Vienna Convention on Consular Relations or the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations" mean any property or asset, respectively, the attachment in aid of execution or execution of which would result in a violation of an obligation of the United States under the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations, as the case may be.

Mr. ALLEN. Mr. President, I rise to present this amendment, No. 3838, which is a measure that has to do with allowing those who are victims of terrorism, whether or not they have judgments, to collect those judgments against the assets of the terrorist states or the state-sponsored terrorist states involved in these acts. I thank the cosponsors of the basic bill that has been introduced, which is the basis for this amendment.

The cosponsors include Senator WARRNER; the lead of this on the Democrat side, Senator HARKIN of Iowa, CONRAD BURNS of Montana, Senator BAYN of Virginia, Senator CLELAND, Senator COLLINS, Senator FEINSTEIN, Senator JOHNSON, Senator MILLER, Senator SCHUMER, Senator TORRICE, Senator BAUCUS, Senator BURNS, Senator CLINTON, Senator CHAYET, Senator HOLLINGS, Senator MIKULSKI, Senator NICKLES, and Senator BOB SMITH.

I particularly want to thank Mr. HARKIN for the leadership he has shown on this issue. He has stood strong for making terrorism responsible for the actions and for justice. I’m grateful for Sen. HARKIN’s tireless efforts in making this proposal a reality. Now, this amendment would permit the blocked assets of terrorists, terrorist organizations, and state sponsors of international terrorism, to be used to compensate American victims of terrorism.

A little history: In 1996, Congress passed the Anti-Terrorism and Effective Death Penalty Act, which, in section 221, expressly amended the Foreign Sovereign Immunities Act to allow American victims of terrorism to seek justice through the courts against foreign terrorist governments. In 1996, Congress passed the Foreign Sovereign Immunities Act, stating explicitly that any property of a terrorist state that was frozen by the U.S. Treasury Department was subject to execution or attachment to satisfy the victim’s court judgments.

However, in response to bureaucratic interference, Congress again, in 2000, as part of the Victims of Trafficking and Violence Protection Act, endorsed the policy of using blocked assets to impose a cost on terrorism and provide justice to victims.

Currently, there are at least $3.7 billion in blocked or frozen assets of seven state sponsors of terrorism. However, the executive branch bureaucracy is once again preventing these funds from being used to compensate American victims who have brought lawsuits in our Federal courts, won their cases, and secured court-ordered judgments—victims such as Edwina Hegna of Virginia.

In the 1980s, Mrs. Hegna’s husband, Charles Hegna, was an employee of the U.S. Agency for International Development. In 1994, his flight from Kuwait City to Karachi, Pakistan, was hijacked by Hizbollah, an Iranian-backed organization. The terrorists demanded that all Americans reveal themselves. Mr. Hegna stepped forward. The terrorists then beat and tortured him. Upon landing, they forced him to kneel. Witnesses heard Hegna praying for his life. He was then shot in the stomach and thrown 20 feet to the tarmac below while still alive, breaking nearly every bone in his lower body. He didn’t die. He laid in agony for about an hour. As an ambulance arrived, the terrorists leaned out of the airplane door and shot him repeatedly. He died in the ambulance at the age of 50, survived by his wife and their 4 children.

Mrs. Hegna currently has a multi-million dollar judgment, but is unable to receive any compensation. In another equally brutal case in which I prefer not to mention the name of the family, but nevertheless it was a case in Kuwait. A pastor who now lives in Richmond, VA, was held captive while he and his children were forced to watch—and his children at the time were 10 and 13 years old—the terrorists sexually assault his wife. He currently holds a $1 million court judgment but is unable to satisfy that judgment.

The United States must say today to the executive bureaucracy that Mrs. Hegna and this pastor from Richmond and all the victims—and they are not all from Virginia; they are from Iowa, New York, New Hampshire; they are from States across our Nation—for all these victims who have suffered at the hands of these ruthless terrorists we ought to say they can be compensated from the blocked assets of these terrorists and their state sponsors.

Indeed, this measure talks about terrorism reinsurance and who ought to be sued, the obligations of insurance companies and how should we back up those insurance companies. In these cases, Congress has issued a judgment and there are assets that have been seized, it is the terrorists and their state sponsors, not the American taxpayers, who should be held accountable for these heinous crimes.

This amendment will accomplish three salient principles: Responsibility, justice, and punishment and deterrence.

Responsibility: At least financial responsibility for the injuries and damages from those who are culpable for the terrorist criminal acts.

Justice: Justice for the victims and the victims’ families.

Punishment and deterrence: Those who sponsor these terrorist acts should be punished and deterred.

Therefore, I ask that my colleagues stand with the victims, stand with their families, and allow them to get some satisfaction, albeit only financial satisfaction.

I request that we move forward with this terrorism reinsurance bill, but also add to it this opportunity for the Senate to take a stand and allow those folks who have had these injuries and these damages and loss of life, in some cases, to have those judgments satisfied, maybe satisfied in part, but satisfied against the assets that have been seized from primarily two countries that have been involved—Iran and Iraq.

Some say we should be worried about what Iraq and Iran might do about all this. But sitting back and worrying about what they might do is not going to help these families and is not going to stand with these families going to stand with these families, these victims, and our judicial system. Let these victims get after these assets. Let them try to rebuild their lives in some part.

I ask for the yeas and nays on this amendment and yield the floor.

The PRESIDING OFFICER. The Senator from Virginia is requesting the yeas and nays on his amendment. Is there a sufficient second?

Mr. ALLEN. Mr. President, I am asking for the yeas and nays.

The PRESIDING OFFICER. The Senator from Virginia is requesting the yeas and nays on his amendment. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.
It is appropriate that today we are debating legislation to provide a Federal backstop to existing and future insurance policies covering terrorist acts. That legislation provides economic protection for the U.S. economy for acts of terrorism. I believe that the legislation should be amended to address the issue of Americans held hostage and tortured by terrorists to specifically hold liable nations that provide financial and other support for terrorist that target the symbols and citizens of America. I am proud to be an original cosponsor of the Ter−rorism Victim’s Access to Compensation Act of 2002 that Senator GEORGE ALLEN and Senator TOM HARKIN have introduced.

That bill provides redress for victims of terrorism to receive compensation from nations that sponsor terrorism. I appeared with Senators HARKIN and ALLEN at a press conference with Americans who have experienced first hand the abhorrent and evil use of terrorism that every American can understand as a result of the tragic events of September 11, 2001.

What right does a citizen have to fight back against a terrorist nation? The only power that individual has is to sue that terrorist nation in court to gain access to seized assets from terrorist nations. Our Nation is in a war against terrorism and this amendment provides another tool in the war against nations that sponsor terrorism. This amendment requires that compensation be paid from the blocked assets of terrorist nations provided that the American victims of terrorism secure a final judgment in our Federal courts.

Victims of terrorism have many sad stories, and I want to bring to you attention the sad plight of a man who had a residence in New Hampshire during the toughest time of his life.

In 1989, William Van Dorp was sent by his employer from his home in Kingston, NH to Kuwait City to teach the Kuwaiti Air Force English. On August 2, 1990, Kuwait was invaded by the forces of Saddam Hussein.

Let me use William Van Dorp’s own words to describe what happened:

On August 4, I heard loud rumblings coming from the road and, when I looked out my window, I saw seventeen trucks, filled with Iraqi troops, and three tanks driving toward the beach. It became apparent to me that I was still in the middle of a combat zone and in immediate danger of encountering enemy fire.

William Van Dorp attempted to escape the Iraqis who were rounding up American hostages. Mr. Van Dorp was attempting to leave the Intercontinental Hotel in Kuwait City. Mr. Van Dorp describes the event as follows:

When I reached the lobby, I saw a U.S. Embassy official yelling at an Iraqi colonel and trying to convince him not to take the Westerners away. I was being taken custody by heavily armed soldiers. Last evening I was packed into a military truck with roughly 23 American citizens and trans−ported to an army camp about an hour from Kuwait City.

William Van Dorp was held hostage by the Iraqi government for months. During the Persian Gulf war Iraq used American hostages to be imprisoned at sites that the Iraqis thought the United States would target during the Persian Gulf war.

The nations of Iran and Iraq have committed unspeakable acts against American citizens of my state of New Hampshire. Those nations deserve to be punished. Recently, Iraqi President Saddam Hussein pledged increased Iraq’s payments to the families of Palestinian suicide bombers from $10,000 to $25,000.

The press has reported in the past that Iran may be harboring terrorists from the Al-Qaeda network and Taliban. I don’t know that to be true, but it has been reported by the press that Iran and Iraq have not been allies in the war against terrorism. Our diplomatic efforts to change these countries has fallen on deaf ears and these countries are supporting terrorism throughout the globe. Iran, Iraq, and North Korea are the “Axis of Evil.”

I am sure that every Member of this body remembers the Iran hostage crisis. Americans who worked in the U.S. Embassy of Iran were held hostage by the Iranian government more than 20 years ago. Those hostages faced the government of Iran. The Iranian Government did not make an appearance in the U.S. court to defend themselves, but as iron would have it, lawyers, not from Iran, were in the U.S. courtroom to defend the interests of government of Iran.

Does anybody in this Chamber know what lawyers were in court defending the interests of the Iranian government? It was our own Justice Department and the Attorney General.

How do you think the U.S. hostage felt about the U.S. Government, using tax dollars from these same U.S. hostages, defending the interests of the Iran government.

The Washington Post, on October 16, 2001 reported that:

U.S. Government lawyers went to Federal court yesterday seeking to vacate a judgment against Iran in a lawsuit filed by 52 Americans who were held captive in that country more than 20 years ago. The timing of the government motion, nearly a year after the lawsuit was filed and two months after the judgment was entered, drew sharp criticism from some of the former hostages, who accused the Bush administration of trying to mute their claims because of the current conflict in Afghanistan. “The State Department and the Justice Department are doing this only to curry favor with Iran at this juncture of history,” said Barry M. Rosen, a former hostage who is now director of public affairs at Columbia University’s Teachers College. “I was outraged.”

Another former hostage retired Army Col. Charles W. Scott who had three teeth knocked out during brutal interrogations, said, “In combat, you have a weapon and can fight back. Here, we were defenseless and brutalized. For the first time I understood what the people of the Holocaust went through.” Americans who are the victims of terrorist acts sponsored by nations that are deemed by the State Department to be state sponsors of terrorism should be punished.

I urge the Senate to support the Allen amendment.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I have an amendment.

The PRESIDING OFFICER. The Chair is in error. The majority leader.

Mr. DASCHLE. Mr. President, we will work to attempt to vote on the Allen amendment tomorrow as well, but we have been working over the course of the last several hours—and I thank those of our colleagues who have been involved—to accommodate a unanimous consent request that I understand has now been cleared on both sides. In order to ensure we can inform our colleagues of the schedule for the remainder of the evening and tomorrow, I propound this unanimous consent request so that at least this can be scheduled.

I ask unanimous consent that when the Senate resumes consideration of the terrorism insurance bill on Friday, June 14, at 9:35 a.m., the Santorum amendment No. 3301 be withdrawn; that the Judiciary Committee be discharged from further consideration of H.R. 3275 and that the Senate proceed to its immediate consideration; that Senator LEAHY, or his designee, be recognized to call up the Leahy-Hatch substitute amendment at the desk; that upon reporting by the clerk, the Senate vote on the adoption of the amendment; that following adoption of the amendment, the bill, as amended, be read a third time and the Senate vote on passage of the bill, with no intervening action or debate; further, that upon the disposition of H.R. 3275, the Judiciary Committee be discharged from further consideration of S. 1770; that the Senate proceed in its consideration; that the Senate consider the Leahy-Hatch amendment at the desk; and that upon reporting the amendment, the Senate vote on the adoption of the amendment; that following the vote, the bill, as amended, be read three times and passed, and the motion to reconsider be laid upon the table, all without intervening action or debate; further, that any statements relating to these items be printed in the Record.

The PRESIDING OFFICER. Is there objection?

The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I have an amendment. I would like to have considered at some point. I would like to see it considered. It is a very narrow issue, and I would like to see if we can get this in the queue of items. It is not under consideration. If my colleague, the majority leader, can consider this a little bit and put it forward. If not, I believe I will need to object to proceeding under this unanimous consent request.
Mr. DASCHLE. I ask unanimous consent that the Senator from Kansas be recognized to offer his amendment following the disposition of the amendment offered by the Senator from Virginia.

The PRESIDING OFFICER. Is there objection?

Mr. DODD. Reserving the right to object, may I inquire of the substance of the amendment of the Senator from Kansas?

Mr. BROWNBACK. It is an issue on patenting, and it is an issue that I think is a very important one for us to consider. I want to bring it up and press it. It is a narrow one. I think we ought to consider it. I would like to offer it.

Mr. DODD. Further reserving the right to object, is this the cloning amendment?

Mr. BROWNBACK. It is patenting of human beings. It is the issue of patenting of humans which I would like to put forward at this time.

Mr. DODD. Mr. President, with all due respect, as someone trying to manage a bill, I regretfully object to consideration of that amendment at this point. I am trying to deal with the subject matter at hand. It is going to be impossible—

Mr. BROWNBACK. I must object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Nevada.

Mr. REID. Mr. President, while the majority leader is in the Chamber, we have worked now for several hours to get a vote for Senator Santorum. I cannot understand why the Senator from Kansas would prevent us from having this vote. He has an opportunity on this legislation at a subsequent time to offer an amendment. No one can stop him from offering an amendment.

I think the majority leader will announce shortly that there will be ample opportunity tomorrow and Monday to offer amendments. So I do not know why the Senator from Kansas would hold up a vote that the Senator from Pennsylvania has been trying to get for several hours.

I also say to the leader that while he was proffering his unanimous consent request, the Senator from Virginia said he would have no problem voting on his amendment tomorrow morning. That will put to rest any objection to the amendment of the Senator from Virginia the chance to speak tonight for as long as they want. We can set this up following the vote on the Santorum amendment, whatever we want to call it, the one on which we asked unanimous consent.

I ask the Senator from Kansas to kindly reconsider allowing us to vote on the Santorum amendment and, following that, vote on the amendment of the Senator from Virginia, and then the floor is open and anybody can offer an amendment. The Senator from Kansas or the Senator from Pennsylvania can offer another amendment, or the Senator from anyplace can offer any amendment they want.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Mr. President, I will renew my request in a moment. I do not know how Mr. Allard can be denied the right to offer an amendment as long as cloture has not been filed and achieved. It is not my desire now to file cloture. At some point, if we cannot bring this debate to a conclusion, I will be forced to do so. Until that time, the Senator has every right to come to the floor to offer an amendment.

We are going to be in session tomorrow and on Monday, even though there are no votes on Monday. So I hope Senators will use that time to come to the floor to offer what I would hope will be relevant amendments.

We certainly cannot prohibit the Senator from offering other legislation, so I would renew my request.

The PRESIDING OFFICER. Is there objection?

Mr. BROWNBACK. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. I would like to make sure I do get an opportunity to bring this issue forward, so I ask unanimous consent that I have the opportunity to put forward and have this amendment considered.

The PRESIDING OFFICER. Will the majority leader so modify his request?

The Senator from Nevada.

Mr. REID. Could the Senator do this tomorrow morning or Monday?

Mr. BROWNBACK. All I am doing is asking unanimous consent that I be allowed to offer this amendment sometime during the pendency of this bill.

Mr. REID. Reclaiming my time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. That seems somewhat unfair. We have all day Friday, all day Monday. Anytime before the end of the bill could be a long time from now.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. DASCHLE. Mr. President, the Senator does not need that consent. He can offer that amendment, as the Senator from Virginia has indicated, tomorrow, or any day. That does not require a unanimous consent. I have no objection to his request, but it does not take a unanimous consent. He is entitled to that until cloture is obtained. If cloture were invoked, he would probably be denied the right. We are not anticipating a cloture vote, at least in the foreseeable future. So the Senator is certainly entitled to his right to offer this amendment whenever he chooses.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I have had difficulty at times being able to get to the floor, as people maybe would say, well, we do not want to consider this at this particular time. I want to make sure we can.

Unfortunately for me, I will not be present tomorrow. As many of my colleagues know, we have had in the Philippines the death of a Kansan who is being buried tomorrow, Mr. Burnham, and I will be at that funeral tomorrow morning. But I want to make sure this issue can come up and can be heard before the end of this bill. I do think that is an inappropriate request.

I renew the request that I be allowed to bring up this amendment sometime during the pendency of this bill. I ask unanimous consent that I be allowed to do so.

The PRESIDING OFFICER. Does the majority leader so modify his request?

Mr. DASCHLE. I did not understand the request. I have not modified my request.

The PRESIDING OFFICER. The majority leader made a unanimous consent request to which the objection was heard from the Senator from Kansas. So the question is, will the majority leader modify his unanimous consent request to include the unanimous consent request of the Senator from Kansas?

Mr. DASCHLE. Mr. President, as I said, that does not require a unanimous consent request, but I would not object to the request made by the Senator from Kansas.

The PRESIDING OFFICER. Is there objection?

Mr. DODD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. My concern is we are providing the Senator from Kansas something that has been provided to no one else. We could have every Member demand a unanimous consent on totally irrelevant amendments to this bill. If we go down that road and if the Senator from Kansas wants to kill this bill, that is fine, filibuster the bill, but to bring up totally extraneous amendments, it seems to me, is unwarranted.

I have talked a number of our colleagues out of offering amendments that had nothing to do with this bill, no matter how meritorious their proposals. Certainly, the majority leader has indicated the Senator has the right to bring up an amendment. Cloture has not been invoked. If we can move this bill along, there is no reason for it to be invoked, but to cut out one exception for one Member to make a unanimous consent request, after I have talked other people out of it, I do not think is terribly fair.
Mr. DODD. Will the majority leader yield for 1 minute?

Mr. BROWNBACK. If the Senator will yield, I think I have perhaps a solution.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. I ask the amendment I have been considered after the Allen amendment tonight. I am prepared to put it forward this evening, if it would be acceptable to the leader to do that.

Mr. GRAMM. Will the distinguished majority leader yield?

Mr. DASCHLE. I would be happy to yield.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. I am hopeful that at some point we are going to work out a compromise and move this bill forward. It seems to me the position we are in is we want to set this vote up for tomorrow. The Senator has the right to object to doing that, pending getting the opportunity guaranteed that he can offer his amendment. If he is here—and he has this problem with this funeral apparently—no one can prevent him from doing it. I am hopeful if we work in good faith that we might talk him out of offering this amendment. So I think we should accept the amended unanimous consent request of the majority leader. I do not see that we are giving him anything that he would not have if we were not here. It seems to me, pending trying to work out a compromise, that we would be better off not having it offered tonight. He could offer it as a second-degree amendment tonight—it is perfectly within the rules—by objection to setting up the vote for tomorrow. So I think the logical thing to do is to take the majority leader's proposal.

Mr. DODD. Will the majority leader yield for one question?

Mr. ALLEN. Yes.

Mr. DODD. I would make a parliamentary inquiry. If there is a unanimous consent request which is agreed to, for the consideration of an amendment that would otherwise fail in a postcloture environment, could that amendment still prevail if cloture is invoked? Or at least will that amendment be considered without being violative of the rules of cloture?

The PRESIDING OFFICER. If that is the intent of the unanimous consent request, then it would be in order.

The Senator from Virginia.

Mr. ALLEN. Mr. President, if I may ask the distinguished majority leader a question, so I understand the procedure as he originally outlined it. May I inquire as to when the vote on my amendment would occur? As far as I am concerned, the amendment having to do with terrorist assets for those who obtain judgments in this country has broad bipartisan support. Is there any reason why we could not vote on that tonight or, in accommodation to a lot of people who will be gone, vote on it on Tuesday?

Mr. DASCHLE. Mr. President, I was entertaining the possibility of voting on the Allen amendment, as well as on the Santorum amendment, tomorrow morning. If the discussion of the vote on the Santorum amendment is completed, we could lay it aside temporarily to allow the Brownback amendment to be laid down and then return to the Allen amendment tomorrow morning. That would be fine with me. I will say that this will get amendments. The Brownback amendment will not be the only amendment offered. Mr. ALLEN. All right.

Mr. BROWNBACK. We will then be able to dispose of the Allen amendment tomorrow morning. So I have no reservations or objections to doing that if our colleagues would be interested in taking that approach.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ALLEN. A further inquiry of our leader. The point is, as I understand it, at some point tomorrow morning the earliest vote would be a vote on the Santorum amendment. Let us assume the amendment is at 9 or 9:30. Thereafter, say 10 minutes later, there would be a vote on my amendment tomorrow morning?

Mr. DASCHLE. Mr. President, we have not propounded the request, but it would be fine with me. I will say that my vote would be on it immediately after the disposition of the Santorum amendment.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. If there is no disagreement, I would then again amend my request in the following manner: In addition to the request as it was originally propounded, I ask that we vote on the Allen amendment immediately following the disposition of the Santorum amendment tomorrow morning. I would further ask that the Allen amendment be set aside to accommodate the amendment to be offered by the Santorum, and that amendment be the pending business this evening; that we return to the Santorum amendment tomorrow morning, to be followed then by the Allen amendment, after its disposition.

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

Mr. DASCHLE. Mr. President, just for clarification, when I refer to the Santorum amendment, I refer to the legislation as it was referred to in the unanimous consent request. It is more than an amendment. It is now a free-standing bill under the request. I think all of my colleagues understood that, but I want to ensure that people know there would be no order of business tomorrow morning.

With this request, there will be no further rollo漆 nights.

Mr. President, I ask further unanimous consent that the following amendments be the order of business prior to the vote on the Allen amendment tomorrow morning.

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

Mr. DASCHLE. Mr. President, if there are no Senators wishing to be recognized, I have a statement to make, for which I will use leader time, with regard to the Middle East.

The PRESIDING OFFICER. The Senator is recognized.

THE MIDDLE EAST

Mr. DASCHLE. Mr. President, too often, the crush of daily business here in the Senate leaves us little time to discuss important issues that are not directly and immediately before us.

Among the many issues that deserve greater attention, none is more important than the need for peace in the Middle East, and the urgency and importance of the leaders in the Middle East, and the security of our friend and ally, Israel. The urgency and importance of this issue couldn’t be more stark. In this past week alone, a suicide bomber—the 68th in the last 21 months—blew up a fast food restaurant in Israel, killing a 15-year-old girl. Another bomb, placed near a road near Hebron, injured three Israeli teenagers. A third bomb, detonated next to a bus outside Tel Aviv, killed 17 Israelis. A fourth attack—one this one with guns, not bombs—killed a pregnant mother. Less than a week: three bombs; several attacks. The targets in each—citizens: fathers, mothers, teenagers, young children.

Given the steady stream of terrorist acts, the historic enmity between the parties, and the stakes involved, the situation could hardly be more difficult. But we cannot turn our backs or allow the specter of violence to diminish our commitment. Our unique relationship with Israel, and the strategic importance of the Middle East, demand that the United States play a leading role in helping to end the current crisis.

The President recognizes this dynamic, and has spoken out forcefully on the importance of the leaders in the region taking steps to end the violence. There can be no mistaking the indignation he feels about what is happening in Israel or his appreciation for the strategic importance of the entire region to our national security. In fact, he and his team have undertaken an effort to sound out leaders in the region in order to fashion a new way forward. I understand that as early as next week.
he will outline the results of those efforts. Like all Americans, I am eager to hear the President’s plan.

If there is one message in our success so far in the global war on terrorism it is this: When we stand together, terrorism fails. Right now, at this very moment, Afghanistan’s new leaders are meeting in Kabul to choose a new government, a government that will represent Afghans of all ethnic backgrounds. They are sending a message that the Taliban and al-Qaeda never could: Terrorists can only destroy, democracies build. We want the Palestinian people to know that if their leaders will take the necessary steps to end the violence in their region, we are ready to build in the West Bank and Gaza too.

This afternoon I want to talk briefly about three principles that I believe should guide our efforts to help bring security, stability, and, ultimately, peace to the Middle East.

First, after 68 homicide bombings, the debate over whether Chairman Arafat is unable or unwilling to stop terrorism is unproductive and irrelevant. It is no longer important. What matters is that Chairman Arafat has clearly failed the test of leadership. If Chairman Arafat would take consistent, decisive actions against terrorist violence, circumstances would be different. But he has been unwilling to exercise this basic authority that is required of his office and required by the agreements he has signed and the commitments he has made on behalf of the Palestinian people. He has undermined his own credibility as the leader of the Palestinian people.

The second principle that should guide our efforts is this: Words alone are not enough. Reform demands results. Saudi Arabia, Egypt, and Jordan are all pushing for reforms of the Palestinian Authority. Their efforts are commendable. Unfortunately, their demands— and the demands of the Palestinian people— seem to be falling on deaf ears. Chairman Arafat has put a figurehead in control of the security services, leaving the power in his own hands. He signed the Basic Law but has done nothing to implement it. He has time and again taken risks for peace. Rabin did it at Oslo, Netanyahу at Wye, and Barak at Camp David. And earlier this week, in this very building, Prime Minister Sharon made it clear he would be willing to make the sacrifices necessary to give up his name to this distinguished list of warriors who fought for peace. If he is convinced there is a committed partner on the other side of the peace table.

The third principle is this: America’s commitment to peace in the Middle East must be clear and consistent. It must never wane. President Harry Truman recognized Israel as a valued ally 6 minutes after Israel was created. Every American President since Harry Truman has known that the best hope for peace and positive reform in the region lies in sustained and decisive American engagement. Every President since Harry Truman has made such engagement a cornerstone of American foreign policy. The current violence in the Middle East does not diminish the importance of U.S. engagement, it increases it. If there is to be peace, any chance for regional stability, Israel must be secure enough to make peace and strong enough to enforce it. That is a commitment the United States has made—and will keep. But there is another commitment we must honor as well, and that is our commitment to stand by Israel when she takes risks for peace, and stand with all parties who embrace peace as their goal.

The United States is, and will remain, Israel’s best friend. We are also the best hope for bringing all of the parties in the region together at the peace table. No other country in the world is in a better position to facilitate a dialog. We must remain actively and consistently engaged in the search for peace. We do not, for one minute, underestimate the difficulty of this task. The challenges, and the risks, are enormous. But the probable cost of doing nothing or vacillating from our historic course is far greater. It is too great a price to even consider.

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

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

TERRORISM RISK INSURANCE ACT OF 2002—Continued

AMENDMENT NO. 3843

Mr. BROWNBACK. Mr. President, I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.
It is alive, we know that. But they would contend or say that it is not a person, so therefore we are putting this forward to make it clear to the Patent Office, for the people of America, the people around the world, that you can't patent a person at any stage of age of its development. That is the entirety of the amendment. The clerk read the entire amendment.

Ultimately, the question that will be put before this Senate and this country, indeed the world, will be this: Shall we allow life for research purposes? Shall we use human life for commercial purposes? We are taking this as a narrow issue now on the issue of patentability.

In this debate we will have to answer whether or not the young human at his or her earliest moments of life is a person or is a piece of property. That is the narrow and the focused issue that is in front of us.

Cloning proponents will argue that the young human is a piece of property that can be created or destroyed at the whims of society for the benefit of others. I will argue that the young human is a person; that it is wrong to treat another person as a piece of property that can be bought and sold, created and destroyed, all at the will of those in power.

I think we all understand that human cloning is an issue of vast importance to our society and for humanity. This issue, if not revealed the value we hold and the worth we place on human life. It is a decision that one generation of mankind will be making for all future generations of mankind.

I would also argue it is an issue that will determine what kind of future we will give to our children and grand-children and their children and their children's children. The essential question is whether or not we will allow human beings to produce, to pre-ordain specifications for eventual implantation or destruction, dependent upon the intentions of the technicians who create them; whether or not we will allow life to be created just to be destroyed and researched upon.

The question and its corollary must be addressed before the technology overtake our public discourse. Indeed, today we have many of these capacities to do this to us now. We are doing it to animals and mammals. We can do this in humans. The question is, Should we do this for us to do this? Is it the point in time that we want to make this decision to do this? Do we want to make this decision for all future mankind or do we want to pause? Do we want to stop here for just a moment and ask ourselves, whether or not we should really think about such a monumental step and such a monumental move.

I would like to begin by making a few observations.

First, in the debate, we need to debate the science along with the biological reality of the human embryo from his or her earliest moments of life. We all know that the human embryo is a life. But some question whether it is a life or a person.

Clearly, the human embryo—whether brought into being in a woman, whether artificially created in a test tube by fertilization, or by cloning—is seen by observers as a new being with a human genetic constitution and a unified life principle that in all normal circumstances of implementation and development will grow into an adult who will live one day. Because we call the adult human being at birth because there is an essential, unified, biological continuity between him or her—by that I mean once you are alive you grow along that continuum until you die—and the initial one-celled embryo, it is clear that the one-celled embryo is an indivisible human person.

If you allow it to survive and to grow, it becomes a full-scale human being under anybody's definition. As some have attempted to discount this clear understanding of the biological continuity of human life in order to justify some human experimentation in some circumstances, I note that the people who support this are supporting it for reasons that are very good, true, altruistic, to try to find cures, because we want to find cures for terrible diseases, for which I want to find a cure. But I don't want to find that cure at the cost of somebody else's life. I don't want to find that cure at the cost of my life or Senator Specter's life or Senator Rumsfeld's life or at the cost of anybody else—or young people yet to come and to be born. That is why I believe we should start with some basic definitions.

Human cloning is human asexual reproduction. It is accomplished by introducing nuclear material from one or more human somatic cells into a fertilized or unfertilized oocyte whose nuclear material has been removed or inactivated so as to produce a human living organism at any stage of development—that is genetically virtually identical to an existing or previously existing human being—the human being from whom the nuclear material was taken.

In essence, if we take nuclear material from the President's Office or from myself and put it inside an egg and start the egg growing, there is a human of identical genetic material to me, to the President, and to anybody else in this room.

Roughly, the debate over human cloning has fallen into two categories, misleading as those categories may be: reproductive cloning and so-called research or therapeutic cloning.

Two-thirds of the American public, the President of the United States, a large majority of the House of Representatives, Senator Landrieu, and myself hold the position that all human cloning should be banned. It is a position based in large part on the principle that you do not create human life as a means of something else, especially purposely to destroy it, the point being—and the President put it very well—we should not be creating life just to destroy it or do research on it.

Some in the Senate don't want a full ban. They want a limited ban—what they refer to as 'preproductive cloning' but not on so-called research or therapeutic cloning.

All cloning is, of course, reproductive; that is, all human cloning produces new human life. That is the very nature of it. If you produce a human clone, it is a young human something. It is a human person; it is a human life. If you allow it to grow, it is not going to grow into an elephant or a tomato. It is going to grow into a human, if you allow it to grow.

I think the notion that human cloning can be therapeutic is both misleading and disingenuous. ‘Therapeutic’ cloning, as some proponents of cloning refer to it, is really the process of reproductive cloning that is specifically created for the directly intended purpose of subsequently killing it for its parts. Some proponents of human cloning claim an embryo created in this manner will have cells for a genetic match to cure the patient being cloned. Thus would not be subjected to the patient’s immune system. I will address this issue of transplantation rejection later. Let me say that this particular claim is not scientifically true.

To describe the process of destructive human cloning as ‘therapeutic’ when the intent is to create a new human life destined to its virtual destruction is misleading. However, one would like to describe the process of destructive cloning, it is certainly not therapeutic for the clone that has been created and then disemboweled for the purported benefit of its twin.

All human cloning is reproductive, whether by the Institute or by the researchers and the technicians who have created that life or copied it.

I do not believe we should create human life to be used by others and, in the process, destroy it. Yet that is exactly what is being proposed by those who support cloning in limited circumstances. And however they might name the procedure—whether they call it nuclear transplantation, therapeutic cloning, therapeutic cellular transfer, DNA regenerative therapy, or some other euphemism—it is simply destruction.

The cloning of a human embryo is wrong in all circumstances, whatever it is called. Human cloning is wrong. Yet proponents of so-called therapeutic cloning claim that with the use of this controversial technique we will be able to cure a whole host of dread diseases that plague humanity—diseases that I believe—whether they call it nuclear transplantation, therapeutic cloning, therapeutic cellular transfer, DNA regenerative therapy, or some other euphemism—it is simply destruction.

The cloning of a human embryo is wrong in all circumstances, whatever it is called. Human cloning is wrong.
First, the argument that so-called therapeutic cloning will solve the immuno-response rejection problem is questionable. Second, the reliance on this type of cloning as a treatment for those who are suffering will ultimately only be realizing benefits by heavily depending on the exploitation of women.

We should also not forget that this practice would be available only to the rich.

First, the myth of therapeutic cloning: It is becoming increasingly obvious that the so-called therapeutic purposes lack the evidence to back up their claims for the purpose of their technique of supposedly a “regenerative” type of medicine.

The promise that some have held out that the use of cloning technologies produce rejection-proof cells is starting to crumble under closer scrutiny. This is the argument. If we just clone a person’s own cells, all those cells that are genetic matches and you will be able to put those back into your body and the body itself will not reject them because it is saying these are my cells. It would get around this immune-repressive problem we have with heart transfers or other tissue transfers that have immuno-repressive problems. The problem is that under closer scrutiny, cloning does not work that well.

We know that cells derived from cloning embryos created for the purpose of stem cell transplantation contain mitochondrial DNA—that DNA passed through the maternally contributed to the zygote.

In other words, this is from outside the genetic material. To say the Presiding Officer provided it encased in mitochondrial material that is from a different person, it is a different person. Therefore, it is not genetically identical to the donor/recipient. This nonidentity can trigger an immune-response problem.

If you take an outside egg, take your own cells, and put it back in you, the problem is you put it back in you, the problem is it still triggers the immune-repressive problem. That is one of the leading vocal proponents of cloning.

In addition, it is now known that there are problems with gene expression and gene imprinting that can cause cell deterioration as well as other abnormalities in the zygotes.

Also, there are practical considerations, considerations that have led many of the advocates of cloning to concede the impracticality of efforts to custom make stem cells. That is what cloning is really about: Custom making stem cells for me, the Senator from Nevada, the Senator from Washington, and others. It is saying: OK, we are going to make some cells just for me. These are going to be custom made to fit what I need.

In an article by Peter Aldhous, entitled “Can They Rebuild Us?”, published in Nature Magazine, the author notes that: “It may come as a surprise that many experts do not now expect therapeutic cloning to have a large clinical impact—many researchers have come to doubt whether therapeutic cloning will ever be potent enough to be commercially viable. It would be astronomically expensive, says James Thomson of the University of Wisconsin in Madison, who led the team that isolated (embryonic) ES [stem] cells from human blastocysts.

For the advantage of my colleagues, I yield the floor so that colleagues can take advantage of some of their time. I yield to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 384

Mr. ENNSIGN. Madam President, I rise to speak on behalf of the amendment of the Senator from Kansas.

We deal with the issue of human cloning often. We deal with issues that, frankly, sometimes don’t seem very important. But this issue is an issue of critical importance. This issue is really what the human species is all about.

I am a veterinarian by profession. I have studied embryology, as all veterinary students do, as all medical students do. We study it in detail. As a matter of fact, we study it in species after species.

I have studied the cloning of the famous Dolly clone that we are all familiar with. Dolly the sheep. When that first happened, there was something very disturbing that went off in my brain. It was not because of the cloning of an animal, it was because cloning put people in the future.

When Dolly was first announced, everybody said: No, we cannot clone people. We will never go there.

Last year during the whole issue dealing with embryos that people were talking about, they were saying: No. You know what. We will not have cloning. We will ban cloning.

Everybody agreed, at that time, it seemed, that we were going to ban cloning. But now, as some of the research has gone forward, people are starting to say: You know what. Now we are just going to do therapeutic cloning. We are not going to do reproductive cloning.

Well, as the Senator from Kansas has pointed out, we are not dealing with just therapeutic cloning. It is all reproductive cloning. Destroyed by the same technology that therapeutic cloning will be produced from. It is the same, exact technology. It is cloning.

You can call it by any name you want to call it, but it is cloning.

I know there are other Senators who want to talk tonight, so I will not talk too much more on this.

But, Madam President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nevada [Mr. ENNSIGN] proposes an amendment numbered 3844 to amendment No. 3843.

Mr. ENNSIGN. Madam President, I ask unanimous consent reading of the amendment dispensed with:

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

The amendment is as follows:

(Purpose: To prohibit the patentability of human organisms, and for other purposes.)

Strike all after the first word and insert the following:

UNPATENTABILITY OF HUMAN ORGANISMS—

Section 101 of title 35, United States Code, is amended—

(1) by inserting “(a) In GENERAL.—” before “Whoever”; and

(2) by adding at the end the following:

“(b) UNPATENTABILITY OF HUMAN ORGANISMS—

“(1) DEFINITION.—In this subsection, the term ‘human cloning’ means human assexual reproduction, accomplished by introducing nuclear material from one or more human somatic cells into a fertilized or unfertilized ovum whose nuclear material has been removed or inactivated so as to produce a living organism (at any stage of development) that is genetically virtually identical to an existing or previously existing human organism.

“(2) UNPATENTABILITY.—A patent may not be obtained for—

“(A) an organism of the human species at any stage of development produced by any method, whether in vitro or in vivo, including the zygote, embryo, fetus, child or adult;

“(B) a living organism made by human cloning; or

“(C) a process of human cloning;

“(3) EFFECTIVE DATE.—This section shall become effective 30 days after the date of enactment.

Mr. ENNSIGN. Madam President, the issue of human patenting in this whole issue of cloning. And the whole cloning debate is really a debate because of the idea of being able to patent a human being or the making of a human being is probably one of the most egregious parts of this whole issue.

This really is a time when we are confronting a brave new world. The prospect of people in corporate America owning people and trading and buying and selling people as if they were
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Mr. BROWNBACK. Madam President, I want to proceed to the discussion of this issue on the overall patenting because this is a narrow issue on which we are focused and it ties in, very closely, with this issue of cloning.

I was mentioning the Nature Magazine article about whether this will work because the issue of patents will be that people are seeking to create these humans, and then own them through the patenting process; that people will research and invest commercially in them. It should really send a chill through all of us.

I think the question one should be asking, even ahead of that, is: Will this even work? If we are going to attempt to do this to take place, one might advocate, well, OK, this is going to work and create all these cures for diseases; therefore, maybe we ought to risk this to humanity.

I say, even on the science of this, the very basic science of this, the science says this isn’t going to work either, so that we would be subjecting humanity to this we cannot patent people, when it does not even work. And it is not going to proceed.

Here is the quote I was talking about by Peter Aldhous, entitled “Can They Rebuild Us?” in Nature Magazine, dated April 5, 2001:

It may come as a surprise that many experts do not now expect therapeutic cloning to have a large clinical impact—many researchers have come to doubt whether therapeutic cloning will ever be efficient enough to be commercially viable. It would be astro-

nomically expensive, says James Thomson of the University of Wisconsin in Madison, who led the team that isolated embryonic (stem) cells from human blastocysts.

The article continues:

[Met]amnalian cloning is inefficient, even in the hands of the most skilled scientists. Of the 277 cells from Dolly’s mother that were fused with donor egg cells—

This is 277 eggs. And then because you had to make 277 of these, 277 eggs—less than 30 developed to the blastocyst stage.

That is the early stages of development.

At the time experts believed efficiency would improve. But despite feverish efforts by groups worldwide, progress has been dis-

appointing. We don’t at the moment have any real hope to greatly increase the efficiency, admits Alan Coleman of PPL Therapeutics near Edinburgh, the company involved in the Dolly experiments.

So 277 eggs, to get to 30 developed to the blastocyst stage, we have to make 400. So 277 to one, that is how many eggs we are going to have to have from women to be able to start these, to be able to get some sort of de-

development moving along. You are talking about a very inefficient process, and one where you have to have a lot of women superovulating, collecting these eggs so we can get more of these clones going. At what price to women? At what price to humanity?

Also, in a recent LA Times interview—this is from May 10, 2002, about a month ago—Thomas Okarma of Geron Corporation said that cloning for custom-

ized stem cell treatments would take, “thousands of [human] eggs on an assembly line” to create a custom therapy for a single person. He says, “This proceeds as a non-starter com-

mercially.” The odds favoring success “are vanishingly small.” He said this.

He is one of the lead researchers from Geron Corporation. The possibilities of success “are vanishingly small.” Yet we want to take this step for humanity on the science where the science says the possibilities “are vanishingly small”? We want to go ahead and step forward and say: Yes, we should do research, we should patent people on an opportunity that is “vanishingly small”? That is not a wise step to take on the science of it, let alone how you view the human person, whether or not you should allow patenting of people on the science of it. It argues we should not.

This leads me to my second point which is, in order to be effective, therapeu-

tic cloning must rely on the exploi-

tation of women and the practice will be available only to those who can afford it. This practice will have to rely upon the exploi-

tation of women and will be available only to the rich. Aside from being high-

ly impractical, the claim that thera-

peutic cloning will lead to cures is one that can ultimately only be realized with the blatant exploitation of women.

In order to conduct so-called therapeu-

tic or research cloning on a scale that would yield just a portion of the benefits that advocates promise, one would need to harvest a vast num-

ber of human eggs. The only place you get those is from women.

As noted by Dr. David Prentice, a stem cell researcher at the University of Indiana:

More than 100 million people in the United States suffer from medical conditions for which embryonic stem cell therapies are being promoted as promising—Parkinson’s disease, multiple sclerosis, spinal cord injuries, juvenile diabetes, ALS, and more. If 20 percent of cloning attempts suc-

ceeded in reaching the blastocyst stage of development—and animal cloning—and stem cells are derived from 10 percent of these cloned embryos—a rate consistent with such success rates in deriv-

ing embryonic stem cell lines from non-

cloned embryos—how many eggs will we need?

Based on these assumptions, just his assumptions, saying OK, let’s take our animal models on cloning, that we are going to derive 10 percent of these success-

ful with human cloning as we can in our animal models, and we will try to derive stem cells for just 10 percent of the people who suffer from one of these diseases, based on these assumptions it would take 800 million human eggs to treat just 16 percent of the Americans who suffer from conditions for which these therapies involving embryonic stem cells are going to be able to address the treatments needed for just 16 percent of Americans suf-

fering.

I am just saying, only the rich can afford this. It is going to be very expen-

dive. Let’s just say the top 16 percent of those who suffer can afford to do this. We will be able to treat those. With current knowledge and our ability, and even including a factor of favorability, saying we will be able to get this done efficiently from being a human egg to be a clone, because you have to make that transition, you will need 800 million eggs from women. Where are you going to get those? If 10 eggs are harvested per woman, then 80 million women of child-bearing age would have to submit to the risk of drugs and hyperovulation and surgical extraction procedures, providing the eggs that would be needed to develop therapies for just a fraction, 16 percent of those who are suffering from these condi-

tions, women’s eggs.

The egg dearth is a mathematical certainty and is one reason researchers say therapeutic cloning will not be generally available for medical treat-

ment at all.

For example, a year ago biotech re-

searchers Jon Odorico, Dan Kaufman, and James Thompson admitted the fol-

lowing in the research journal Stem Cells. They said: The poor availability of human eggs, the low efficiency of the nuclear cell procedure, and the long population-doubling time of human embryonic stem cells make it difficult to envision this, therapeutic cloning to obtain stem cells, becoming a routine clinical procedure, even if it is ethically acceptable, is not a sig-

nificant point of contention.

James Thompson is the person who developed the embryonic stem cell, first found those in humans. He is saying that even if you didn’t have ethical considerations, you will not be able to do this on a regular basis. That is aside from the overall issue. That is just the science of it. That is not questioning whether a human person should be pat-

tented or not. That is the question of whether a human person should be patented, and if you have sound science based upon being able to do it.

Concerns such as these as well as others have led a group of progressive scientists, virtually all of whom support abortion rights, to state in their letter of support for a ban on all human cloning that:

Although we may differ in our views regarding reproductive issues, we agree that a human embryo should be protected for the specific intention of using it as a resource for medical experimentation or for producing a baby. Moreover, we believe that the mar-

ket for women’s eggs, generated by this research will provide unethical in-

centives for women to undergo health-
threatening hormone treatment and surgery. We are also concerned about the increased bio-industrialization of life by the scientific community and life science companies, and shocked that clonal human embryos have been patented and declared to be human "inventions."

This is a very real concern. As I am sure many of you are aware, the typical birth process now involves a collection of eggs from women who seek to become pregnant in this manner. The superovulatation drugs typically used in this procedure will result in anywhere from 10 to 40 eggs. The superovulatation drugs have already been linked to ovarian cancer and other health risks. Some people choose to go ahead with that risk because of other concerns and desires they have.

The market for women's eggs is not just a fiction. In fact, the market for women's eggs has already developed. For example, the company Advanced Cell Technology of Massachusetts paid women up to $4,000 per egg donation. This is not done in order to claim a right to have cloned human beings in the United States. They paid women up to $4,000 per egg donation. There is another issue we should consider: Whether or not we are going to allow companies to pay for women's eggs, to create this marketplace, to allow this marketplace to take place.

Such a market for women's eggs will be a true threat to the health of many women. Women undergoing the health risks associated with egg donation for the purpose of having children is certainly one thing in that they choose and the life comes forward. That they would be induced by some to undergo these health risks for money is another issue.

It is striking, as I watch this debate unfold, that corporate interests in the biotech community want us to countenance the idea that society will be able to divorce the health care problems of the world on the backs of poor women. Asking us to do so is an assault not only on the dignity of the human embryo created and destroyed in this process but also on the dignity of the woman who sells her body parts to accomplish it.

The commodification of women and their eggs is a very real concern that we all share and is yet another reason on a long list for why we must outlaw all human cloning and why we must do so now.

That is not the issue in front of us today. The issue today is whether we should allow patenting of human embryos, patenting of people. There are alternatives, however, that do not use controversial and unproven techniques to improve health. Many of you who follow this issue already know the advances being made, and the adult non-embryonic stem cell research continues to show great promise. Not only are they being used to treat the diseases which plague humanity, but we are continuing to find we can do so without the use of controversial techniques or research which relies on the death of another human being.

As to the adult stem cell area, I want to spend some time on this because I want to solve these diseases as well. I think we have an avenue that is being proven to be effective and the potential there should be pursued aggressively, fund aggressively, fund at the Federal level, and get these cures to the people.

In fact, to date there is no clinical application of embryonic stem cells in people, no less those derived from cloned embryos, that are used with humans, whereas there are many diseases already being treated in humans with adult nonembryonic stem cells. We already have human clinical trials with adult stem cells.

I would like to list just a few of these recent advances. I am comparing clones, cloned embryonic stem cells, no human trials or applications. It is fully legal today to clone humans in the United States, fully legal. It has been argued that cloning and having to have done it. There are no human applications, none. Adult stem cells are these repair cells in each of our bodies—Senator Specter's body, my body, right now. We have them in all parts of our bodies. These cells that go to a particular area and help it build back up and build more cells where they are needed. It is the maintenance crew in the body. These adult stem cells go places and help where there are needs. What we are finding is that we can pull those out, grow them outside the body, put them back in with amazing results in cures in some of these terrible, debilitating areas.

There was one reported in the paper just today about liver stem cells being converted into pancreatic stem cells that were insulin secreting to be able to cure diabetes. That was just reported in the paper today.

Adult bone marrow stem cells: These are bone marrow stem cells. These are in human science now are transformed into functional liver cells.

Dr. Catherine Verfaillie's group in Minnesota continues to show more and more uses for the multi-potent adult progenitor cells from bone marrow. These are adult bone marrow stem cells. The team has now shown that these can transform into functional liver cells. The adult stem cells also were grown in culture for over 100 generations of the cells, twice the length of time previously thought possible with adult cells.

This was in a recent journal, May 2002—adult liver stem cells from pancreatic cells.

Researchers at the University of Florida have transformed highly purified adult liver stem cells into pancreatic stem cells. Now they are taking liver stem cells and making them into pancreatic cells. The cells self-assemble in a culture and form three-dimensional islet structures—that is where insulin-express pancreatic genes, produce pancreatic hormones and, best of all, secret insulin—to be able to cure diabetic patients. When you implant it into diabetic mice, the transformed cells reverse their hyperglycemia in 10 days.

Ammon Peck, one of the team leaders, said:

"Adult stem cells appear to offer great promise because it provides the possibility of large numbers of insulin-producing cells and tissues that can be used to treat diabetes.

A particular type of cell that produces insulin.

The ability to grow insulin-producing cells from liver stem cells shows the remarkable potential of adult stem cells into future cell therapy.

This was in a June 4, 2002, online edition of Proceedings of the National Academy of Sciences.

Adult stem cells successfully treat Parkinson's. Think about that—successful treatment for Parkinson's. Has the Chair even heard of this? On April 8, Dr. Mike Levesque at the Cedars-Sinai Medical Center in Los Angeles reported a total reversal of symptoms in the first patient treated, a 57-year-old former fighter pilot. The patient is still without symptoms 3 years after adult neural stem cells were removed from his brain, coaxed into becoming dopamine-producing cells, and then reimplanted. So here they took this 57-year-old former fighter pilot, took these adult neural stem cells, nerve stem cells, removed them from his brain, coaxed them into becoming dopamine-producing cells, and reimplanted them. This was in a human trial, not animal.

"I think transplantation of the patient's own neural stem cells and differentiated dopaminergic neurons is more biologically and physiologically compatible—more efficacious and more elegant," said Levesque. The results show that adult stem cells from a patient's own brain can aid in treatment of Parkinson's. This was all accomplished without the requirement for human immune suppression since the patient's own adult stem cells were used. Again, it is your own stem cells. There is no immuno-suppression problem since the patient's own adult stem cells were used. In addition to its use for Parkinson's, the technique is under study for juvenile diabetes, stroke, brain tumors, spinal cord injury, and other conditions. The results were presented at the meeting of the American Association of Neurological Surgeons. I think about that. Three years after these were taken, were coaxed into becoming dopamine-producing cells and were reimplanted, they are showing a total reversal of symptoms in the patient. Incredible.

Adult stem cells can form potentially all tissues. Injection of a single adult bone marrow stem cell can reform the entire bone marrow of a mouse, forming functional marrow and blood cells and saving the life of the mouse. The transplanted bone marrow also could form liver cells, lung—gastrointestinal tract—esophagus, stomach, intestine, colon—and skin, as well as other cells in heart and skeletal
muscle. The experiments also provided evidence that adult stem cells “home in” to sites of tissue damage. This was from Dr. D.S. Krause on May 4, 2001, in the publication “Cell.”

Fifth, adult stem cells repair heart damage. I am talking, again, about human clinical trials. Heart damage. Listen to this:

Researchers at NIH and the New York Medical College-Valhalla used mice to show that injecting adult bone marrow stem cells into damaged hearts could rebuild heart tissue and help restore heart function. Newly formed heart tissue occupied over two-thirds of the damaged portion of the heart 9 days after an infarct. In other experiments, significant repair of heart damage was achieved by simply stimulating the production and release of stem cells from bone marrow, with the cells migrating to the heart and repairing damage. The studies indicate that adult stem cells can generate new heart tissue, decreasing the damage of coronary artery disease.

That was in a magazine called Nature on April 5, 2001. This was a mouse trial, not human.

The notion that we have to kill one person in order to find cures for others is a false trade-off that has been presented to the public in what seems to be a total disregard of the advances made in the promising fields of alternative nonembryonic sources of stem cells. If we want to talk about regenerative medicine, this is where we should focus; this is the area of regenerative medicine. We are doing it today in human clinical trials.

Mr. SPECTER. Will the Senator yield for a question?

Mr. BROWNBACK. If I may complete this point, then I will yield for a question. Why would we contemplate going to the point of creating a human life and patenting this human life in an area where we are showing no results taking place, and it has all these ethical concerns, and you have one generation of humanity saying, okay, we think there are some possibilities here to research in this cloning area? Therefore, we are going to allow the creation of human clones, which we allow freely in the United States to take place today; it is going on right now. We are going to allow them to be patented so that you can own this creation of a human being. We don’t have to go there. I would say, at a minimum, we ought to contemplate at least pausing on this bill until we see how all of this would grow and develop before we contemplate creating humans just to research them. We have a better alternative that is working today.

I am happy to yield for a question.

Mr. SPECTER. Madam President, the Senator from Kansas, in his introductory comments, announced what his amendment was not about, and then he proceeded to talk extensively about nuclear transplantation, otherwise referred to as therapeutic cloning, and about embryonic stem cells, and about adult stem cells.

But coming back to the core issue on what the Senator from Kansas is offering on nonpatentability, my question is whether the Senator from Kansas is aware of a release by the Patent Office on April 1, 1998, which reads, in pertinent part:

“The Patent and Trademark Office is reviewing patent applications in confidence until such time as a patent may be granted. However, the existence of a patent application directed to human-nonhuman chimera has recently been discussed in the news media. It is the position of the PTO that inventions directed to human-nonhuman chimeras could, under certain circumstances, be patentable because, among other things, they would fail to meet the public policy and morality aspects of the utility requirement.

Now, this position by the Patent Office obviously, on its face, renders totally unnecessary the amendment that is being offered. My question to the Senator from Kansas is, was he aware of this position taken by the Patent Office?

Mr. BROWNBACK. Yes, I am very familiar with that. The Patent Office has continued to articulate that position. That is why I stated that there is a question on this issue, because the Patent Office is stating that issue, based upon the 13th amendment of the Constitution, which is against slavery. But they are being challenged by attorneys, and they have been challenged in the court often about whether they can deny a patent.

What I am providing by this amendment is clarity by the legislative body acting and saying that we will not allow the patentability of this issue. I ask my colleague if he agrees with that, and maybe with my amendment and would agree to support this amendment. It is just a clarification of what the Patent Office has currently stated.

Mr. SPECTER. I would be glad to expand, Madam President. The amendment which the Senator from Kansas has offered was offered without any notice to this Senator, which came as a surprise, since the Senator from Kansas and I have been debating this subject very broadly for the past year or two.

Having seen this amendment for the first time this evening, I was surprised that when I walked out for a telephone call, that opportunity was used by the Senator from Nevada to offer a second-degree amendment to foreclose this Senator from offering a second-degree amendment, although that may still be possible under certain procedural approaches.

The arguments which I have heard the Senator from Kansas offer tonight, almost his entire presentation has not been about the patent issue but has been about the subject of the other amendment. The Appropria-

The arguments which I have heard the Senator from Kansas offer tonight, almost his entire presentation has not been about the patent issue but has been about the subject of the other amendment. The Appropriations Subcommittee on Labor, Health and Human Services had some 14 hearings on the issues relating to stem cells and nuclear transplantation. There has been nothing at all on this subject.

Again, it is a little surprising to find it come up on a very important bill regarding Federal guarantees on insur-

The core question which is raised by the Senator from Kansas has been answered by the Patent Office. I took from his comment that he had mentioned that I did not hear him refer to that at all, but I think his amendment is totally unnecessary in light of what the Patent Office has had to say.

If the Senator from Kansas wanted to have hearings on his amendment in the regular course of business, he is a member of the Judiciary Committee—the Senator from Kansas is a member of the Judiciary Committee, as is this Senator—that would be an appropriate place to hear it.

When the Senator from Kansas talks about the future of humanity, I agree with him about that. Nuclear transplantation offers an opportunity to save lives, to find a cure for Parkinson’s, Alzheimer’s, and heart disease, so that we really are on the threshold of some remarkable scientific achievements.

Mr. BROWNBACK. Madam President, if I may reclaim my time, if we are going into the speech of the Senator from Pennsylvania, I would like to answer his comments and finish up my comments, unless he has another question to ask. Again, I would like to go ahead and finish my statement.

Mr. SPECTER. I had not finished answering the question of the Senator from Kansas. I have been sitting here patiently listening to him at some length and again express a little surprise at having the Senator from Nevada take the floor when I step out for a minute and then ask unanimous consent not to have the amendment read, which is customary, but then the Senator always explains it.

While I was up at the desk getting a copy of the amendment, the Senator from Kansas took the floor again. I do not think there has been any shortage of time for the Senator from Kansas.

Mr. BROWNBACK. I do have the floor. I say to the Senator from Pennsylvania, and I am going to yield for a question on this issue.

Mr. SPECTER. Madam President, the Senator from Kansas has asked me a question, and I am in the process of responding to the question of the Senator from Kansas.

The last comment I will make and will give the floor back to—

The PRESIDING OFFICER. The Senator from Kansas does have the floor and can reclaim the floor when he wishes.

Mr. BROWNBACK. I am happy to have the Senator from Pennsylvania respond, but if it is his speech, I would like to finish up my comments and then yield the floor.

Mr. SPECTER. The last part of my response, Madam President, would be to take strenuous issue with the statement by the Senator from Kansas that there is no real therapeutic cloning, really nuclear transplantation, are misleading and disingenuous. There has never been any
challenge by this Senator to the Senator from Kansas about his being misleading or disingenuous.

As strenuously as I may disagree with what he has had to say, there has never been any challenge to his being forthright and his integrity, to the point which was particularly suggested by the characterization of "misleading and disingenuous."

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BINGAMAN. Madam President, reclaiming the floor, I would like to put forward a couple of issues in response to the Senator from Pennsylvania. No. 1, this issue on the patenting of humans has been out there about a month now since a group discovered several applications of patents for the patenting of a process to create a human embryo. It has been out there, and a number of us stated we wanted to ban this procedure of patenting.

Moving forward with this, and the competing cloning bills forward, we were required to exchange a bill, and in our base bill was the issue of banning the patenting of people. That was exchanged this week. It has been out in the hands of Senator Brownback's staff or others during this week. We have had this issue of patenting banned. Whether the Senator knew about it or not, it was in the base bill we put forward.

On the point of characterizing his integrity, I did not, and I do not here. I stated earlier in my comments that those who are putting this forward do so, when they put forward the issue of cloning people, under laudable purposes: to cure debilitating diseases, the same diseases that I seek to cure. What I call disingenuous is the term "therapeutic cloning." It is certainly not therapeutic to the clone, and as I have been going through the science, it is not going to work for the people who are trying to do it. If it did work for the people who were trying to do this, they are going to have to harvest a lot of eggs from women. It is not going to be therapeutic to the women from whom the eggs are harvested, and as far as I know, it is not going to be therapeutic to the clone, and, I might also add, it is not therapeutic to mankind to do this, to start at some point in the life chain, in the life cycle, creating life as livestock and be able to do research on them.

Moreover, aligned with this, and the reason this patent is a central issue, as I noted at the very outset, the whole issue in front of the Patent Office—they are claiming one way and others are claiming another—is the status of the clone. Is the clone a person, thus subject to protections under the 13th amendment against slavery or is it property, is it livestock to be owned and dealt with as its master chooses? That is the central question that is involved in the Patent Office.

What is that I was saying at the outset of the speech, and that is why the issue is in front of us, because we need to resolve the issue: Is this a person protected under the 13th amendment against slavery? Is it livestock: go ahead and patent it, a new type of livestock.

I am saying that what we should do is move forward with changes in the Patent Office. They are claiming this is a person. It is subject to protection under the 13th amendment against slavery, and I am saying we should clarify that.

I hope many of the Senators in this body will join me and say: Yes, that is right, we should clarify that. Even if it is a questionable issue, we should weigh on the side of, yes, this is probably life and we should not enslave it to a patent. I hope most of the Members of this body will agree and say: Yes, we are going to deny these patents. These are not going to be allowed to go forward.

The notion that we have to kill one person in order to find cures for others is a far better bargain than was presented to the American public in what seems to be disregard for the advances being made in this promising field of alternative nonembryonic stem cells. This is true regenerative medicine.

As our debate progresses, we must continue to closely monitor the advances being made in the field of adult stem cell research, and we need to fund it and fund it aggressively.

It is important to remember that we do not have unlimited resources in our battle to prolong and improve the quality of life. Throwing money at unproven, controversial, and novel treatment regimes is foolhardily. It is better to invest where progress is being shown and progress charted.

I wish to address a final point, and that is on the issue of people saying this is about your view of religion, your view of science. The point I wish to make is some have charged religion is attempting to, once again, block important scientific discoveries. This is not true.

What I have argued in the past, and I will argue today, as well as what I will continue to argue in the future, is based directly on biological data, statements by those in the field of biology, the data of common observations, an objective, logical, reflective thinking about the data available. I have not once mentioned an argument based upon religion.

Certainly many traditional religions, dependent on their respective positions, coincide with many of the points that have been made in the past. The Christian tradition, in particular, the Catholic and much of the Evangelical, says everything relevant to this debate depends on the humanly accessible data and the logical conclusions that can be drawn from it, not on theology. Authentic religion hands this over to authentic science.

The difference of view, in my judgment, depends on knowing the biological and human truth or not knowing it. It is not about a difference of religious view or the difference between religion and science. Every argument I have put forward has been based upon science, biology, and reason. To me, the present debate is about good or bad science and good or bad reasoning. Many, however, would not be willing to make this a debate about religion when it is not.

What makes this argument so strange is that I cannot think of one Senator who does not believe in God. Indeed, we have printed above the main door when we come in, "In God We Trust."

The question for my colleagues to ponder may be put the other way: Does God trust us? Does he love us? And if so, when did his love start for us? I would suggest it starts very early.

In closing, I think it is important that as we continue to engage this national dialogue, we strive to do so in a way that shows the profound mystery and inviolable worth of every human being from the moment of conception until natural death. It is a debate well worth having, and as a brave new world draws ever near, it becomes clearer that our own humanity in fact may depend upon it.

As I stated, I think it is unlikely that Senators today will ultimately be remembered by history for their votes on tax bills or even on bills that are pending right now—budget, trade—all of which will be important. They are important, but I think when we look back 50 years to this period of time, that may not be what history remembers.

There is something truly unique about the debate on this issue, on whether you treat a person as patentable or not. The action we take today, tomorrow, and next week on this issue will have far-reaching implications and will be of great historical consequence. It is what history will ultimately remember for us. I think that is why we clearly have to address this issue. That is why we have narrowly addressed the point that is in front of us.

I hope that in the end we get unanimous consent in this body that we shall use human life in any stage of its development, whether it is asexual reproduction or human reproduction.

Today, yes, indeed, we in the Senate open a debate on the future of humanity and whether we shall use human life for research purposes. Let us pause and do something most of us agree on and not allow human life, whether created by a clone, in a clone, by a bio-technician or in the womb, to be patented.

I yield the floor.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Utah.

Mr. HATCH. Madam President, I have a lot of respect for the distinguished Senator from Kansas. He is a good man. He is very sincere, and he believes in what he is doing. He fights for what he believes in. I have a lot of
respect for him, and I have a lot of re-
spect for his attitude.

Up until this point, the debate on cloning has been considered in an or-
derly and responsible fashion. I am greatly concerned that in filing this partic-
lar amendment, our opponents in this debate are resorting to tactics that will not result in the careful con-
sideration that this important issue merits. We all know that the great
issue in this debate is whether an unfer-
tilized blastocyst, an unfertilized egg that is used in the the-

cytic cell nuclear transfer process and becomes a blastocyst in 5 or 6 days, is
a person? We will have that debate in this body, I presume. I think it would
be a worthwhile debate.

The amendment being offered to-

tight is something of a red herring.

True, there are issues that should be
examined in addition with patents
which may be issued on living cells. In

fact, Chairman LEAHY and I are pur-
suing that matter in the Judiciary
Committee with the Patent and Trade-

mark Office and other interested par-
ties. We are trying to learn more about patent No. 6,211,429, issued to Univer-

sity of Missouri researcher, Dr. Randall Pratcher, which is said to require
issuance of this patent is consistent with the 1987 PTO policy statement
with respect to the non-patentability of human beings.

However, let's be fair, the crux of the
issue in this debate has little to do with patents. It has to do with whether or
not we will allow important re-

search to proceed, research that holds the promise of improving upwards of
100 million-plus lives in our society in America alone. That does not even
mention the millions of others throughout the world who might ben-

efit from what I refer to as regenera-
tive medicine.

This body can look at issues around
the world. I bet you, there are literally hundreds of them that we could con-
sider—and patenting is cer-

tainly a concern but it does not go to
the heart of the issue.

The Patent and Trademark Office,
the PTO, has already made abundantly
clear in its 1987 policy statement that
human beings are not patentable, as
distinguished Senator from Penn-

sylvania has aptly pointed out. This
policy states, in part, “A claim di-

rected to or including within its scope a human being can not be considered to be patentable subject matter.”

It seems to me that it might prove
beneficial for PTO to reexamine
the claims of the University of Missouri
patent in light of prior art.

In any event, human beings are not
patentable. That has been the law of
the land, as it should be. To get into a
somewhat arcane, complicated debate
about intellectual property on a to-
tally unrelated bill merely sidesteps
the real discussion on the issue.

The patent issue is an issue that most
appropriately should be examined, but
I believe should be examined by the Ju-

diary Committee, of which Senator
BROWNBACK is a member. So the distin-
guished Senator from Kansas will have
every right to have his thoughts con-
sidered.

We need to know how far the Brown-

back Amendment reaches. Does it ex-
tend to cell lines derived from un-

fertilized blastocysts? Does the amend-

ment destroy the patentability of any
process that could be used in nu-

clear transplantation involving human
cells? We need to determine if any ex-
tensions, exist between the Brownback
Amendment and the Supreme Court’s
holding in the famous Chakrabarty de-
cision?

The 1987 PTO policy cited
Chakrabarty “as controlling authority
that Congress intended statutory sub-
ject matter to ‘include anything under
the sun that is made by man.’” The
PTO went on to say that it “now con-

siders non-naturally occurring non-

human multicellular living organisms, including animals, to be patentable
subject matter within the scope of 35 U.S.C. 101.”

We need to think how the Brownback Amendment squares with the position
taken in the memo written by then-

HH General Counsel Harriet Raab
with respect to the relationship em-

bryos and pluripotent cell lines.

But I want to emphasize that what we
really have to resolve in this debate
is the legal and moral status of an
unfertilized blastocyst that will not be
implanted into a mother’s womb and
can never develop into a human baby.

But that is not what is at issue. There
is little interest in patenting a
unfertilized blastocyst because the
promise is not in the unfertilized
blastocyst but in the stem cell lines
that may be derived from this artifi-
cially created cells.

I have been following the recent de-
bate on the patenting of human life
very closely. My interest is twofold.
As a policy matter of course as rank-

ing member of the Judiciary Com-

mittee, I have a special responsibility
for considering any policy issues that
touch on intellectual property laws. In
addition, my longstanding interest in
biomedical research and ethics compels
me to understand ramifications of in-
tellectual property policy which have
such far-ranging public health con-
sequences. So I am very concerned
about both of those issues. They are
important issues and should not be
helter-skelter considered on the floor
without hearings, without appropriate
consideration. These are complex
and difficult issues.

Throughout my career, I have always
taken a strong pro-family and pro-life
stance, especially on issues relating to
biomedical research. I have also spent
time on issues relating to intellectual
property law. I support the Brownback
amendment.

Having said that, I jotted down a few
notes put forth by the accomplished
attorney, Al Engelberg. I agree with
Al and other experts who do not believe that changing the patent law is
the appropriate vehicle for exercising
governmental control over the mul-
titude of issues relating to cloning.

Patents do not create an affirmative
right to make, use, sell, or permit within com-
merce. The value of the patent is not deter-

mined by whether it is legal or illegal in a
State to make, use, sell, or permit within a
State. That would be a terrific mis-

take to make, and I believe that the
ambiguities in the Senator’s amend-
ment will thrust PTO into an improper
role.

Do we really want to get involved in

parsing patent claims in order to de-
cide what is ethically permissible in
the real world of cutting edge bio-

medical research? I think not. Let us
settle the policy issue through a direct,
fron-tal debate rather than approaching
the matter through the back door of
patentability.

I do not think springing, unan-

nouncedly, this type of amendment on
this bill in this fashion is the most con-
structive manner in which to hold an
informed debate.

But on the substance of the amend-
ment, we should take the view that the ex-
istence of the patent is not deter-
native of what is legal or illegal to
make, use, sell, or permit within com-
merce. The value of the patent should
rise or fall on the basis of independent
deter-minate legislative determinations regarding the legality or illegality of certain ac-
tivitie.

That is what Senators SPECTER,
STEINSTEIN, KENNEDY and I have done in
our legislation by making the inde-
pendent legislative determination that
clearly outlaws the cloning of human
babies. Our legislation leaves PTO to
make, use, sell, or permit within com-
merce. The value of the patent should
rise or fall on the basis of independent
deter-minate legislative determinations regarding the legality or illegality of certain ac-
tivitie.

Now, as Mr. Engelberg argues, one
advantage of proceeding in this fashion
is that it maximizes the incentives for
those who make new and potentially
new discoveries to disclose them in the

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hope that over the 20-year life of the patent, the definition of ‘legally permissible’ activities may be altered, thereby breathing economic value into a discovery that cannot be commercially exploited at the time of the recovery. If research in a particular area is elastic and alive, it can be filed without effectively admitting to a crime. Therefore, legislation regarding the scope of patents is not a good way to get at the underlying questions that are being debated.

I hope we would withdraw his amendment. I believe it is grossly premature. It is very dangerous for us to adopt such a measure without appropriate hearings and a complete review of this matter.

In the end, it does not help us decide, what seems to me the central issue of the debate: whether or not we should go forward with this very important research?

In the weeks ahead, the Senate is going to debate these issues of extreme importance to many Utahans and many Americans. There are upwards of 128 million people in our society who are suffering from various difficulties and diseases that may benefit from regenerative medicine research. I am talking about heart disease, cancer, ALS, diabetes and many others.

I, personally, believe we ought to do everything in our power to help consistent with sound ethics. I, personally, believe experts tell me this is the case—that regenerative medicine holds great promise of curing many diseases.

I acknowledge the distinguished Senator has quoted some scientists, but I am going to stand with the 40 Nobel laureates who have said this research should go forward because it holds great promise in expanding biomedical research to find treatments or cures. This science may also be used to examine disease and get to the bottom of the causes of disease and hopefully find treatments and cures for the millions and millions of Americans and people all over the world who need our help.

Regenerative medicine has the great potential to save lives and to alleviate pain and suffering. I have come to this position after many months of study, contemplation, talking with all kinds of scientists and others on both sides of this issue, some of the leading authorities in science, religion, and ethics. I have spent a lot of time on biomedical research issues during my entire Senate career. I have analyzed this from a pro-life, pro-family perspective, with the view that being pro-life means someone living.

A 4-year-old boy, Cody Anderson, from West Jordan, UT, came to visit me this last June. Cody Anderson’s mother almost fell apart when she discovered at the age of 2 Cody Anderson got the very same diabetes that his grandfather had. His grandfather lived until he was 47 years of age but lived through 28 different operations, the loss of his left leg below the knee, the loss of his right toes, a colostomy, all kinds of other travails, difficulties and problems, and ultimately was on dialysis for the loss of his kidneys for the last 10 years of his life before he died, in a miserable, painful condition, at 47 years of age.

When Cody’s mother discovered that her son, at the age of 2, had exactly the same disease that killed her father at age 47, after all that miserable, wretched existence, she almost fell apart. She came to me and said: You have to do something about it.

Not only did the grandfather go blind, he had pressure behind one of the eyes, and it had to be removed.

Now, wouldn’t we do everything in our power to help Cody and others suffering from life-debilitating diseases? It seems to me we should.

Let me state my total agreement with my dear friend and colleague from Kansas, who believes absolutely reproductive cloning of human beings. There is no question that ban would pass 100 to 0 in this body, and I think 435 to 0 in the House. There are only a few people in our society today who believe we ought to follow through and totalmente rid this country of the possibility of cloning human beings. Those people would be shut off automatically. They basically would be outcasts if they tried to do something like that. By banning that totally, we would solve the problem with which most people are concerned.

It does not solve the problem that my dear colleague is concerned with because he considers the unfertilized egg, once a nuclear transfer takes out the 23 mother’s chromosomes, and insert the DNA of a skin cell or other somatic cell through the nuclear transplantation process. This process inserts the 46 chromosomes into the unfertilized egg that will remain unfertilized.

Some believe that the product of nuclear transplantation is a human being. I don’t agree with that. It is a living human cell. It is a living, too. It is a human cell, but it certainly is not a human being, nor does it have a chance in the world of becoming a human being unless it is implanted in a human womb, and even then probably will not become a human being because it is theoretically possible but nobody is absolutely sure if that can happen.

During this time, the unfertilized egg can be grown to a blastocyst stage in a lab and develop to the point where special cells, called embryonic stem cells, can be extracted and replicate themselves. The stem cells are undifferentiated but, scientists believe, they can be differentiated into as many as 200 different forms of human tissue which might save lives, which might treat disease, which might bring cures, which certainly will help study disease and the origins of disease.

I don’t mean to go into all of the details this evening. But I am very concerned in the end that if we do not continue this research, the rest of the world is going to leave us behind. They will do so under moral and ethical standards that will not be good—at least in some parts of the world. If we help set the moral and ethical standards, it seems to me, we can benefit everybody around the world, first and foremost us. I hope we will mean they will conduct this research on a highly ethical and morally upright manner.

If we do not do that, this research is going to go on through the rest of the world, and it will not be with our influence.

Second, it seems to me, if we do not go ahead with this research under very stringent moral and ethical standards, it will be gone ahead with no matter what happens because many of our leading scientists today may leave our country and go where they can pursue this research. And I say again—according to at least 40 Nobel laureates and almost everyone else I know, except a few, this is very promising research.

This is important. I am totally in favor of adult stem cell research, and almost every scientist I have talked to is also supportive of this line of research. But almost every scientist I have talked to—a lot of them, will tell me that it is very difficult to get enough adult stem cells, and when you do they are not as able to maintain and differentiate into the various forms of human tissue as somatic stem cells. That is why many in the scientific world, except for a few, believe this research, this positive, very important research, should go forward.

I understand the sincerity of those who believe that somatic cell nuclear transfer results in the creation of a human being but I do not see it that way. If you have an unfertilized egg that is never implanted into a mother’s womb, I do not think we have a human being. It is not a living. It is something that should be given respect, certainly, but we should give it respect by studying, learning, and helping alleviate human pain and suffering if we can. At least that is my viewpoint.

I respect those with viewpoints that are different from mine but I think they are in the minority and as this debate unfolds I think that more and more Americans will agree with us that this important research should go forward. But I do not agree with it.

There are a lot of very fine people who feel the same way the distinguished Senator from Kansas feels. But there are a lot of fine people, who are very religious and very decent, and who are pro-life, who are. That is why many in the scientific world, except for a few, believe this research, this positive, very important research, should go forward.

From where are these eggs going to come? First, that egg is unfertilized. It remains unfertilized right up through this blastocyst stage. Those eggs are probably going to come from in vitro clinics themselves, in many cases.
Under our proposal they are going to be voluntarily given. Nobody is going to profiteer on these eggs. There will be eggs that you cannot freeze readily because they are not fertilized. So they will have to be used in a relatively short-term fashion, to create these embryonic stem cells, generally in 4 to 6 days or so.

The fact is, they are going to be eggs that are voluntarily given.

Some of my friends on the right and left of this Chamber, some of their colleagues are gone. They ought to be used and implanted in a woman so they can have babies. That is not reality. It can, to a limited number of people who choose to do that, but some will volunteer eggs for this research.

During the Olympics I had a woman come up to me and she said: Senator, I appreciate your stand on stem cell research. She said: My husband and I have twins from in vitro fertilization. We are aghast at the thought that we will be unable to use these twins. I remember when that process came forward, many of the arguments that are being used today were used against that process.

And she said: Senator, we are grateful for those twins. But I don’t want any more children and I don’t want my eggs implanted in somebody else. I want them used for research.

She ought to have the right to do that, and women like her. If you are a mother and your child has just gotten a very virulent form of diabetes, or your parents are drifting into Alzheimer’s or Parkinson’s, what woman, who is really concerned about her parents, would not be willing to do what she could to help them, if in fact this research can prove efficacious? And if adult stem cell research has a chance of being efficacious, can you imagine what the undifferentiated state of stem cells, which can be so easily differentiated, California eyes at least of these scientists, can you imagine what good that will do?

I believe these 41 Nobel laureates, the leading scientists in our society, ought to be listened to in this debate. To a leading scientist in our society, ought you to be listened to in this debate. To a very virulent form of diabetes, or your parents are drifting into Alzheimer’s or Parkinson’s, what woman, who is really concerned about her parents, would not be willing to do what she could to help them, if in fact this research can prove efficacious? And if adult stem cell research has a chance of being efficacious, can you imagine what the undifferentiated state of stem cells, which can be so easily differentiated, California eyes at least of these scientists, can you imagine what good that will do?

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ones I chatted with at the University. I am not saying I was right; I am just not been able to derive the projected time. So far, I believe that science has had those who have argued against fetal tissue research at the same as this, it is not cloning a living human beings—meaning to demean other countries, but I think this country cannot be beat in biomedical research. Could you imagine what a demoralizing thing it would be if we banned this highly promising research that can help alleviate the pains of mankind?

I have talked enough about it. I am just saying I do not believe my colleague will withdraw his amendment because it is premature. We will be happy to debate tomorrow, if he is unwilling to withdraw it, or whenever—but it is premature. I think it is dangerous to do it this way. We should study this because it is a complex, very difficult area. There are so many things about this whole debate that are very complex and very difficult.

I am sure I cannot convince my colleague of my point of view, and I do not believe he believes me of his. But the fact is, I believe we ought to do everything in our power, within moral and ethical constraints and standards, to try to come up with treatments and cures that might alleviate the pain, suffering, and yes, even premature death of our fellow human beings on this planet.

I hope before this year is out that we will be able to resolve this issue because I think it needs to be resolved. I would encourage my dear colleague to try to find ways we can resolve this. But I believe it has to be resolved, and I hope we can have that full-time debate at a later date and that we will be able, at that time, to let the Senate vote and let the Senate make the determination, as well as the House, and go from there.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. HATCH. There is so much more to be said about this. We can debate all night about it. I am sure there will come a time for this debate, where we can discuss all these matters.

But, you know, I am concerned that we not lose this opportunity to help mankind. I remember in the early 1970s, mid-1970s, when recombinant DNA was so heavily lobied against, the reason the bill was another example of cloning research. It was not the same as this, it is not cloning a living mother’s egg, but nevertheless, it involved cloning. Similar arguments were made against recombinant DNA research.

I have to tell you that we went ahead anyway, the research was done, and today we have over 60 mainline drugs that came from recombinant DNA—cloning—research, not the least of which is human insulin which is saving millions of lives today in this world.

In fact, virtually every major scientific breakthrough through history has had those who have argued against it. And there have been some which have not proven efficacious, such as fetal tissue research.

I made the arguments on the floor against fetal tissue research at the time. So far, I believe that science has not been able to derive the projected benefits from fetal tissue research. I am not saying I was right; I am just saying we have not proved as efficacious as originally thought.

But the scientists, one of the latest ones I chatted with at the University of Utah, Mario Capecchi, one of the leading experts in the world on mice stem cell research—it was an absolutely fascinating hour and a half I spent with him. You can’t believe how very deeply he believes that embryonic stem cell research, of the type I have been talking about, is absolutely crucial for the well-being and care of humankind and that, really, this research has to go forward.

We have already lost one of the truly great scientists in this country, Dr. Peterson, who must have had his hands in the air and gave up because he believes this research is going to be ultimately hurt in this country—although I do not think he is right. He has already left and gone to England. Can you imagine how many more would leave if we, the most free country in the world, the most scientifically oriented country in the world, the country where most biomedical research progress has been made, the country where Food and Drug Administration in the world, the country that has a caring nature about living human beings—not meaning to demean other countries, but I think this country cannot be beat in biomedical research. Could you imagine what a demoralizing thing it would be if we banned this highly promising research that can help alleviate the pains of mankind?

The University of Missouri has received a patent that some lawyers say could cover human cloning or a process of human cloning, that he would like to proceed. I disagree with that, but the pending issue is not about banning human cloning. It says that what we should do is not allow patenting of human clones or of young people. It is a narrow issue.

I want to make sure that it is clear to the body overall that the pending issue before this body is not about banning human cloning, it is not about a moratorium on human cloning; it is an issue that we should not patent the young human at any stage of the life continuum, when it is a young human.

That is when you have an entity. Whether it is a clone or a natural human, if you nurture it and it grows into a person, you should not be allowing patenting of this person. That is the pending issue.

I don’t believe a number of scientists and Nobel laureates speak to the issue of patenting. They speak to the issue of human cloning, which is going on in America and which continues to go on in this day in America. I don’t think it should. That is not the pending issue, and that is not the issue the scientists address.

The issue that we are bringing up is about patenting. The good Senator from Utah knows this is the time and the right place. I brought these issues up in the past year. If not now, when? This is the time. These issues are pending. Some say it is not a real issue because the Patent Office has already declared that you can’t patent a person.

I want to draw the attention of the Members of the body to when this debate broke open. Here is a May 17, 2002, piece in the New York Times, “Debate on Human Cloning Turns to Patents”—just this past month.

The University of Missouri has received a patent that some lawyers say could cover human cloning, potentially violating a longstanding taboo against patenting of humans. The patent covers a way of turning unfertilized eggs into embryos.

That is covered by the amendment we have put forward.
The patent covers a way of turning unutilized eggs into embryos, and the production of cloned mammals using that technique. But unlike some other patents on animal cloning, this one does not specifically exclude human beings from the definition of mammals. Indeed, it specifically mentions the use of human eggs.

Those opposed to cloning and to patenting of living things say the patent is a further sign that human life is being turned into a commodity.

"It is horrendous that we would define all of human life as biological machines that can be cloned, manufactured and patented," said Andrew Kimbrell, executive director of the International Center for Technology Assessment, a Washington group that has long opposed patenting of living things and also wants to ban all human cloning.

The patent was issued in April 2001, but attracted no attention until Mr. Kimbrell's statement this week.

The United States has been more liberal than most other countries in granting patents on human genes and human cells. The patent office has drawn the line on human cloning, said he intended to introduce an amendment to the patent law. The Senate is debating how extensively to ban human cloning.

The Senate debate is the latest in a series of developments and examples of how the patent office has clung to its own interpretation of the law. The Senate is not expected to reach an immediate conclusion.

But even a patent on the process of cloning humans could give the patent holder some rights over the people, some lawyers said. Conceivably, for instance, the university could permit people to use cloned embryos for medical research.

"The patent office has drawn the line on human cloning," Mr. Kimbrell said. "But it seems to permit the status quo to continue."
When asked whether scientists would be able to obtain patents on their human-cloning research under her bill, Mrs. Feinstein said she did not know because her bill does not mention the patent issue.

"I do not know, I cannot answer that," she said.

[From the Washington Post]

A NEW CALL FOR CLONING POLICY
(By Justin Gillis)

An advocacy group said yesterday it had uncovered a year-old patent that it interprets as applying to cloned human beings, and that the actions of Congress conflict with the law to specify that no patents can be issued on human life.

The patent holder, the University of Missouri at Columbia, said it still is studying issues raised by the group but had no intention of asserting ownership of human beings or of cloned human embryos. The patent was obtained by a Missouri researcher working to develop pigs whose organs could be transplanted to save human patients. Cloning might be a way of creating many such pigs.

What the patent, No. 6,211,429, actually covers is somewhat unclear. It is mostly a description of specific laboratory techniques for making cloned mammals, but a subordinate clause in a section of the patent also lays claim to "the cloned products produced by these methods." Other recent patents of this type have included explicit language saying the mammals in question do not include human beings, but this patent, issued April 3, 2001, to Missouri researcher Randall S. Prather and an associate, includes no such language.

Read in conjunction with relevant law, that means Prather has staked a claim on cloned human beings or, if he were to move to or not, said Andrew Kimbrell, executive director of the International Center for Technology Assessment, the Washington activist group whose "PatentWatch" project raised the issue.

Some details of the patent appeared yesterday in the Wall Street Journal.

No one has ever made a cloned person, but many scientists believe it has become possible, raising profound ethical questions, including what rights of ownership the creators of a clone might have in their creation. "I would say that the patent office should rescind this patent as grossly unethical and contrary to any kind of public policy," Kimbrell said. "I feel that in order to clarify this, Congress needs to come in."

His group also raised concerns about three pending patents that it said could also be read as covering human life.

The University of Missouri disclaimed any pernicious intent. Prather "has absolutely no interest in doing research on humans," said Mary Jo Banken, a spokeswoman for the school. "I would say it would be impossible that we would attempt human reproductive cloning. It would never be approved" by the university.

Brigit Quinn, a spokeswoman for the U.S. Patent and Trademark Office, said she could not discuss any individual patent and could not comment on Kimbrell's interpretation of the Missouri patent. But she said the patent office had made no change in its longstanding policy that human life cannot be patented.

"Our policy has not changed," Quinn said. "It is not changing. We do not patent claims drawn to human beings."

However, the Missouri patent is ultimately interpreted, the case does point out what some experts see as a gap in U.S. law. The policy referred to is that contained in a 1997 law which states that the patent office will not issue a patent if it determines that Congress should make the prohibition explicit.

Sen. Sam Brownback (R-Kan.), who has led a contested effort in Congress to ban all types of human cloning, said yesterday he would introduce separate legislation to clarify the patent laws. "If we allow for the patenting of cloned life forms, I still want the message that humans are property and that they can be exploited and destroyed for profit," Brownback said.

Mr. BROWNBACK. Madam President, I wanted to note to the Members of this body that this is the current issue. Indeed, one group that is looking and studying this issue believes that there are three patents either pending or already granted that could or are being used by the patent examiners in the process to create a human clone already.

Madam President, my point is that it is a live issue, and what we are doing here does not ban human cloning. It simply says you can't patent the human clone. The human clone is a person; that if you allow this person to grow it is going to become a full-scale human being. It appears as if we are not going to be able to take this up in front of this body—the overall issue of cloning. No one has broken down. Yet, here is one to which I was hopeful we could get actually 100 percent of the Members of the body to agree.

I want to point to a couple of other issues that the Senator from Utah mentioned.

One is the unfertilized egg. We continue to talk about the unfertilized egg, which I believe is not a person. I want to state that clearly. The unfertilized egg aborts is not covered by the amendment. We do not cover the unfertilized egg.

He notes the position of a number of scientists on the issue of cloning.

I would agree that there are differences in the scientific community on the issue of cloning. I also note that there are differences in the public. Two-thirds of the American public is opposed to human cloning.

I want to give you some examples of people who are opposed to human cloning. They are opposed to human cloning, and show you some pictures.

Two-thirds of the American public is uncomfortable about the issue of cloning. It kind of makes their skin crawl. It is that natural law within us that causes us to bristle when we think about creating life just for the purpose of destruction.

Here is a gentleman who wrote to me. He is from Granbury, TX. His name is James Kelly. He is in a wheelchair.

He said: "For the past five years I've lived in a self-imposed cocoon that includes a computer, a phone, and the world of medical research. In 1997 I fell asleep while driving interstate and a resulting spinal cord injury left me paralyzed below the chest. Because of what I've seen through reading medical journals and speaking to leading scientists, and because my life's focus is to support the safe, efficient development of cures for many medical conditions (including what rights of ownership the creators of a clone might have in their creation) I recently left my cocoon and journeyed to Washington to support your proposed ban on all forms of human cloning."

My reasons for supporting this ban are simple. Huge obstacles stand in the way of cloned embryonic stem cells ever leading to cures for any condition. To overcome these obstacles crucial funds, resources, and research careers will need to be diverted from more promising avenues for many years to come. These obstacles include tumor formation, short and long-term genetic mutations, tissue rejection, prohibitive costs, and the need for eggs from literally hundreds of millions of women to treat a single major condition (such as stroke, heart disease, or diabetes).

Brownback said. "I do not believe it is necessary to destroy life at any stage of development for research purposes. I believe their are other avenues of research that should be explored, most specifically the use of adult stem cells which has already produced some promising developments.

These are a few of many letters that we received from people who are suffering from some of these diseases who thinks there is a better way to go, as I have noted earlier.

I want to make another point on this RECORD.
The Senator from Utah, who has worked with me on many issues, says these are just a few cells. They are just a few cells. They are just a few cells.

I want to show you Hannah when she was just a few cells. This is Hannah. She was born on April 11, 1998. Hannah was conceived. She was frozen. She was adopted as a frozen embryo.

That is interesting.

On March 5, 1998, she arrived at a clinic. On April 10, Hannah was thawed. Here she grows outside the womb. And, on April 11, she is transferred to mom. And then she goes on down the process.

If you destroy Hannah here, you have destroyed Hannah there. It is the same person. Looks different. When she gets older, she is going to look different.

Madam President, myself, I was once one of these. You were one of these. The Senator from Nevada was one of these. If we had been destroyed at this stage, we would never have gotten to this stage.

It is a life continuum that exists. If you destroy me here, I never get there. That is a biological fact. There is no theory involved. There is no theology involved. This is a biological fact.

Hannah was a few cells. We all were a few cells at some point in time. If you destroy us here, you destroy us there. If you destroy a caterpillar, you never get the butterfly, as much as we may want it.

My point in continuing this description for people is because this is just a few cells. It is true—it is just a few cells—but if you destroy those few cells, Hannah is destroyed.

At what point in time do you put any value to this life? Do we put value to Hannah when she is 28 months? I would say everybody in this body would agree. What do you put as Hannah’s worth on December 31, 1998, when she came out of the womb? Everybody in this body agrees you put value to her at that point. Do you put value to her at 21 weeks in the womb? Some people in this body would question that, whether you would put worth to her at that point. How about April 11, when she is outside the womb? Some people would raise questions about that.

My point is this: when you are here, you have destroyed her here in the process that we are talking about.

That is not the issue in front of us. What I am talking about is the patenting. What I am saying here is, what is this? Is it a patent or a piece of property at this point in time? Patentwise, what is this? Is it a person or a piece of property? The argument that is being presented to the Patent Office by some lawyers is that it is property and can be patented. But others are saying, it is life and cannot be patented. That is the position of the Patent Office.

This body needs to decide that issue. And we are going to have to decide, then, if it is property at this point, at what point in time does it become a person that it cannot be patented?

My submission to you is, you should start at the moment of inception or that creation of the clone and say, you can take this clone and sell it against the 13th amendment abolishing slavery. That is the only clean spot you can go in here and declare this is the spot we should start.

This should be a relatively easy and straightforward. Does not stop cloning research from taking place. It does not stop the funding of cloning research from taking place. It does not stop our scientists from working on the issue. It simply says, you cannot patent a person. It clarifies that issue for people who desire and seek to do that.

For those reasons, I think we should be able to vote on this, bring it up. And I am hopeful all my colleagues will join me in voting for the amendment.

Mr. WARNER. Madam President, following the tragic events of September 11, 2001, the insurance industry faced an unprecedented situation. The final costs and impact on the insurance industry, and its consumers have yet to be determined.

Although secondary insurers will help to cover some of the expenses associated with the September 11 attacks, it is critical for the Senate to consider the issues of terrorism and what we might do to stop terrorism attacks.

The administration, the insurance industry, and policy holders throughout the various and diverse sectors of the economy, state the critical importance of passing legislation in a timely manner.

The attacks in September dealt a detrimental blow to an already sluggish economy leaving the health and stability of the economy very uncertain.

The insurance industry outlook is improving, further delay in passage of a terrorism insurance measure will adversely affect economic progress and growth.

Since September we have passed the September 11 Victims Compensation Fund, the Air Transportation Safety and Stabilization Act, and the Bioterrorism Preparedness Act.

The insurance industry is also facing a potential crisis. It is now June 13, 2002, and we still have not passed a bill. Every day that we fail to do so, the growing uncertainty in the market threatens the ability of businesses to obtain adequate and affordable insurance.

Mr. NELSON of Nebraska. I thank the Senator from Nebraska, a true expert on insurance matters, the senior Senator from Nebraska, and three key members of the Senate Banking Committee.

I understand that the primary problem for both the property and casualty insurers, as well as the group life insurers, is the difficulty in obtaining reinsurance after the disaster. Am I correct? Mr. DODD. The Senator’s understanding is correct. Reinsurance is important to the property and casualty insurers as well as to the group life insurance industry.

Mr. NELSON of Nebraska. I thank the Senator from Connecticut, who has played such a key role in bringing this important bill to the floor. I also thank the Senator from Maine for raising the profile of this issue in the Senate.

It is my understanding as well that the group life insurance market has changed. For those companies that use reinsurance, I understand, for example, that one group life insurer covered four corporate groups in the World Trade Center, with over $150 million in losses. All but $6 million was paid by reinsurance. Had that insurer not had reinsurance, its financial security would have been severely compromised. It is not unusual for group life insurance losses to be 95 percent covered by reinsurers. Now, however, the catastrophic reinsurance market has changed. For those companies that use reinsurance, I understand that premiums have skyrocketed with 10- to 13-fold increases and, in many instances, reinsurance may not be available at all. Much of the reinsurance that is being written excludes acts of terrorism and biological, nuclear and chemical claims. And, while reinsurers are either declining to pay for certain claims or simply not offering reinsurance for certain occurrences, the group life insurers are not the only insurers; the Senate Banking Committee has the same exclusions.

And so I ask the distinguished ranking member of the Senate Banking Committee to address group life insurance.
Committee, does the bill that we are currently debating address the problems being faced by group life insurers?

Mr. GRAMM. I thank the Senator from Nebraska for raising this important question. I believe that this bill does not specifically address issues now confronting the group life insurance industry. I would note that the bill does contain a provision that requires the Secretary of the Treasury, after consultation with the Nation of Insurance Commissioners and representatives of the insurance industry and other experts, to study the potential effects of acts of terrorism on the availability of life insurance and other lines of insurance coverage.

Ms. SNOWE. I thank the senior Senator from Texas for his remarks. I am concerned that the study may not be completed in sufficient time to help the group life insurers avail themselves of the help that the property and casualty industry is getting in this bill. I would therefore ask the Senator from South Dakota, a senior member of the Senate Banking Committee, if he believes the needs of group life insurers are adequately addressed in this bill or if companion measure, passed by the House last November?

Mr. JOHNSON. I thank the senior Senator from Maine for her question. I believe that the needs of group life insurers are not adequately met by this bill. I find this problematic because of the role that group life insurance plays for the majority of American families. I am particularly concerned about the families of firefighters and other first responders. We ask firefighters and other first responders to risk their lives for us in the event of a terrorist attack. We have to make sure that basic group life insurance is there for them. I am also concerned about families whose wage earners are at the lower end of the pay scale. These families often find that they are able to secure more life insurance than they otherwise afford because their employer is subsidizing it.

Finally, I am concerned about those families with a spouse who has had a serious medical problem. These families often find that the only life insurance they can afford or even find is group life.

We need to make sure that this industry remains highly competitive and able to pay all of the claims that might be made in the event of a future terrorist attack.

Ms. COLLINS. I thank my colleagues for participating in this colloquy, which has added measurably to the debate on the underlying bill. I thank particularly the distinguished senior Senators from Texas and Connecticut, without whom this bill would not be before us today, and I would like to ask them if they would commit to doing all they can to ensure that the legitimate needs of group life insurers are addressed in the conference on this legislation.

Mr. GRAMM. I would say to the gentlelady from Maine that this is an important issue that was brought to our attention only after the basic legislation was drafted. For that reason, I have every intention of making sure that, in conference, we give full consideration to the problems faced by the group life industry.

Mr. DODD. I concur with the senior Senator from Texas and will do all I can to address the legitimate needs of group life insurers in conference. To that end, I will invite the group life industry to continue to work with us so that we can better understand the problems that it now faces.

Mr. GREGG. I share the concerns of my colleagues regarding this issue and would add that we should facilitate insurance coverage for buildings subject to terrorist attacks, as well as for the people who work inside them. I look forward to addressing these issues in conference.

Mr. REID. Madam President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

Mr. REID. Madam President, I ask unanimous consent the order for the quorum?

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

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent the Senate now proceed to a period of morning business with Senators allowed to speak therein for not to exceed 5 minutes each.

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

YUCCA MOUNTAIN LEGISLATION

Mr. ENSIGN. Madam President, I rise today to respond remarks by the senior Senator from Idaho on the Senate floor procedures outlined in the Nuclear Waste Policy Act regarding Yucca Mountain. And I come to the floor today out of great respect for the traditions of the U.S. Senate. I am a freshman Senator. I have only been here a year. But one of the first things I did when I arrived was to seek the advice of the senior Senator from West Virginia, Senator BYRD, our very own Senate historian. I asked him for a copy of his history of the Senate which I have turned to often. I haven't had the opportunity to speak to him directly on this matter, but I turned to his books for guidance.

Madam President, when you have the chance, turn to Volume II page 191, and see what Senator BYRD says about the powers of the majority leader. He says the majority leader . . . "determines what matters or measures will be scheduled for floor action and when." The Senator from Idaho is planning to change that. I would invite everyone that would be alright for any member to determine when the Yucca Mountain resolution comes to floor. he said that, "the Nuclear Waste Policy Act provides a special statutory authority to make exception to contemporary practice." That is not the case. I have the act right here.

The Nuclear Waste Policy Act of 1982 does not indicate that it shall be in the hands of any Member of the Senate to move to proceed to the consideration of such resolution." But the act also states that the procedures outlined in the Nuclear Waste Policy Act "supersede other rules of the Senate only to the extent that they are inconsistent with such other rules."

The Nuclear Waste Policy Act provision permitting any Member to move to proceed to the consideration of the Yucca Mountain resolution is consistent with Senate rules, therefore it does not supersede the rules of the Senate. In the modern history of the Senate, no Member, other than the majority leader (or a designee), has successfully made a motion to proceed to a matter of�
other than the majority leader, successfully offers a motion to proceed to the Yucca Mountain resolution, it will break with Senate tradition, undermine the goal of the majority leader, and allow other Senators to control the floor. I hope the Members of this body will take the time before they move forward on the resolution.

In closing, I thank the majority leader. He is keeping his word that he gave to the people of the State of Nevada, and the people of the State of Nevada say thank you to the majority leader.

**RECOGNIZING MRS. KATHY IRELAND**

Mr. LOTT. Madam President, since age 17 Mrs. Kathy Ireland has been blessed to have assembled an illustrious career as an actress, supermodel, and vocalist. Her numerous talents have afforded her the opportunity to be regularly featured on the covers of such prestigious magazines as Cosmopolitan, People, Glamour, Mc Calls, and Redbook. Likewise, her inherent capabilities have provided her with the good fortune to appear as a special guest on renowned television programs such as The Tonight Show with Jay Leno, The Today Show, Oprah, Entertainment Tonight, and Access Hollywood. This abundance of accolades has established Mrs. Ireland as a public figure of world-wide fame and recognition.

My purpose here today is not to recognize Mrs. Ireland for her extreme number of personal achievements, impressive as they are, but rather to expand on the manner in which she uses the fame and recognition gained from such accomplishments as a medium by which to make charitable contributions to our local and national communities. As I will bring to your attention in the next few minutes, Mrs. Ireland's personal accomplishments pale in comparison to the number of ways in which she gives back to our communities, both local and Nation wide.

I was made aware of Mrs. Ireland's benevolent character just recently, as it was brought to my attention that she was responsible for sending an eighteen wheeler filled with enough food to feed 1600 needy families for two weeks to Monroe County in my home State of Mississippi. This is the second consecutive year Ireland has sponsored the Holiday Food Truck to aid Mississippians in need. In 2000, the truck was dispersed to the northwest region of Mississippi, also known as the Mississippi Delta. A philanthropic concert entitled "Stars Over Mississippi" is held biannually for the purpose of raising funds to be allocated towards increasing the educational opportunities available to the children of Mississippi. Mrs. Ireland has further benefitted my State by selflessly devoting her time to the performance of these concerts. Mrs. Ireland has also asserted herself as a benevolent benefactress of the state of Mississippi, by donating many thousands of dollars worth of children's furniture, on behalf of Mary and Sam Haskell, to Sela Ward's Hope Village Orphanage located in Meridian, MS.

It should be duly noted that Mrs. Ireland's generosity, patronage, and charity is not limited to the Mississippi community. Examples of Mrs. Ireland's commitment to community service on a national scale include currently serving as Ambassador of both Women's Health Issues and the National Women's Cancer Research Alliance on behalf of the Entertainment Industry Foundation. Mrs. Ireland also holds the title of National Chair of Family Services and Parenting for the Athletes and Entertainers For Kids non-profit organization. As chairperson she personally sees it that AEFK's mission of empowering our youth through mentoring partnerships and positive experiences is achieved. Mrs. Ireland also joins with an organization called Feed The Children each holiday season, in supervising the dissemination of over 170,000 pounds of clothing, food, and toys to needy children nationwide. Mrs. Ireland is a long-standing supporter of the Special Olympics, and has played an integral role in the establishment and continued development and success of the Dream Foundation, which provides terminally ill adults with the resources necessary to fulfill a special dream or be granted a final wish.

Despite her responsibilities associated with being a loving wife, devoted mother of two, Sunday school teacher, clothes designer, supermodel, actress, and vocalist, Mrs. Ireland expresses and executes an unequivocal desire to champion the causes of others. I take great personal pride and gain tremendous fulfillment in recognizing Mrs. Kathy Ireland before you on the Senate floor this day, and encourage all Americans possessing the will, desire, and resources to do so, to live according to her example.

**TRIBUTE TO STEVEN NALLEY**

Mr. LOTT. Madam President, today I rise to salute Stephen Matthew Nalley from Starkville, MS, for his outstanding achievement in this year's national spelling bee. Stephen finished in second place after spelling words such as "altricial," "muliebral" and "serious." He endured ten rounds, defeating 248 other spellers between the ages of 9 through 15.

The Louisville Courier-Journal started the national spelling bee in 1925 with only 9 contestants. Scripps Howard assumed sponsorship in 1941. This year Steven and 249 other participants helped celebrate the 75th Annual Scripps Howard National Spelling Bee held here in Washington, D.C. Steven was born with a particular type of autism that impairs social interaction and produces to repetitive behavior patterns. Fortunately, he has been able to work with his disability and use it to his advantage. Quoting his mother, Barbara Nalley, "He's mildly autistic, but he's channelled that into his spelling."

Steven's accomplishment serves as a reminder to us all that we can accomplish astonishing things when we are willing to put in great time and effort for what we love. Steven's approach to adversity is not to back down, but rather to fight until he has conquered all obstacles and achieved his objective. I find this attribute of his remarkably inspiring.

Not only am I highly impressed with Steven's workmanship as an outstanding speller, but he also is a straight A student and a member of his school's honor society. He exemplifies a hard working young man and is a great asset for Mississippi.

I know my colleagues will join me in congratulating Steven on his tremendous accomplishment and wishing him the best in all of his future endeavors. Congratulations, Steven.

**FLAG DAY**

Mr. LEAHY. Madam President, as we approach Flag Day tomorrow, I feel it worthwhile to reflect on the innate patriotism of so many Americans. Justice Brennan wrote, "We can imagine no more appropriate response to burning a flag than waving one's own." That is exactly how the American people respond.

Immediately following September 11, Americans all around the country began to fly flags outside their homes and businesses, to wear flag pins on their lapels, and to place flag stickers on their automobiles. This surge in patriotism over the past 9 months has made American flags such a hot commodity that several major flag manufacturers cannot keep flags stocked on store shelves. Within one week of the attacks, demand for American flags was 20 times higher than is typical for that time of year, according to the National Flag Foundation in Pittsburgh, Pennsylvania. During that same week, Wal-Mart sold 450,000 flags. Within days of the bombing, K-mart sold 200,000 flags.

This expression of national pride was spontaneous, and consisted of individual Americans taking conscious acts of patriotism. No one in the government decreed that Americans must fly flags. But America is typical for that time of year, according to the National Flag Foundation in Pittsburgh, Pennsylvania. During that same week, Wal-Mart sold 450,000 flags. Within days of the bombing, K-mart sold 200,000 flags.

Supporters of S.J. Res. 7, a constitutional amendment to prohibit flag desecration, believe that Americans need a lesson in how to respect the flag. I disagree, and I believe that the American people have proven these Senators wrong.

At the height of World War II, in the case of West Virginia State Board of Education v. Barnette, Justice Jackson wrote, "To believe that patriotism will not flourish if patriotic ceremonies are
voluntary and spontaneous instead of a compulsory routine is to make an unflattering estimate of the appeal of our institutions to free minds.” Patriotism is flourishing in ways that no one could have predicted. Americans are rallying around the flag in a voluntary show of strength that demonstrates America’s commitment to freedom and liberty.

Respect cannot be coerced or compelled. It can only be given voluntarily. Some may find it more comfortable to silence dissenting voices, but coerced silence creates resentment, disrespect, and dishonorable. You don’t stamp out a bad idea by repressing it; you stamp it out with a better idea.

My better idea is to fly the flag, not because the law tells me to; not because there is something that says this is what I have to do to show respect; I do it because, as an American, I want to. That is why the American flag has always flown at the Leahy home. The extraordinary display of patriotism we have witnessed over the past 9 months is evidence that the American public agrees.

LOCAL LAW ENFORCEMENT ACT OF 2001

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

I would like to describe a terrible crime that occurred December 6, 2000. In Placer County, CA. A 37-year-old African American woman was attacked at a roadside rest stop. The perpetrators, two men, were hiding in a restroom stall when they attacked, bound, and gagged the victim with duct tape. Sexually assaulted her, and wrote racial slurs all over her body. Police investigated the assault as a hate crime.

I believe that government’s first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current laws, we can change hearts and minds as well.

MISSIED OPPORTUNITIES IN BURMA?

Mr. McCONNELL. Madam President, leave it to the repressive generals in Rangoon to miss an opportunity to secure peace and reconciliation in Burma. I am referring to today’s BBC article entitled “Burma Renews Suu Kyi Isolation.”

I want to be very clear to the repressive government in Rangoon—let them miss an opportunity to secure peace and reconciliation in Burma. I am referring to today’s BBC article entitled “Burma Renews Suu Kyi Isolation.”

The State Department made a grave mistake in allowing a Burmese colonel to visit Washington last month. The regime exploited this mistake when it released Suu Kyi—whose capture was our first discussion at this level with American authorities since 1989.” We should not allow an illegal military junta to spin our intentions—or our policy.

It is my expectation that the junta will allow Suu Kyi and the National League for Democracy to conclude its assessment of Burma’s humanitarian needs before moving forward on any new programs or initiatives. Restricting Suu Kyi’s access to U.N. offices in Rangoon serves no logical purpose.

Those of us who have long championed freedom and democracy for the people of Burma must be vigilant in the days, weeks, and months ahead. It is premature for the Washington—or any other foreign capital—to consider “rewards” for the SPDC: 1,500 political prisoners have yet to be released; forced labor continues unabated; ethnic nationalities suffer horrific human rights abuses; and, dialog between the NLD and the regime has not resumed.

The State Department would be wise to withhold requests to Congress for expanding narcotics cooperation with the Burmese—including the use of training facilities in Thailand—lest they be guilty of premature jubilation in Burma.

As I wrote to President Bush last month, the SPDC should be judged not by what they say, but rather by what they do. It does not look like the tiger in Burma has changed its stripes.

THE DEATH OF S.SGT. ANISSA A. SHERO IN AFGHANISTAN

Mr. ROCKFEELLER. Madam President, for many generations, the people of West Virginia have distinguished themselves by their willingness to serve their country in the armed forces. West Virginians understand that the cost of freedom and have always been willing to pay it when called. Today, we are reminded again just how great that cost can be, as we mourn the loss of Air Force Staff Sgt. Anissa A. Shero of Grafton, WV, who died in a tragic airplane crash near the town of Gardez, Afghanistan.

Sgt. Shero was a volunteer, who chose to serve her country in the face of grave danger. When terrorists struck, she left behind the mountains of West Virginia for the mountains of Afghanistan, to risk her life so that we might live ours in freedom and safety. She was part of an extraordinarily successful effort to crush the Taliban, disrupt and demoralize al-Qaeda, and free the people of Afghanistan from two decades of war and despair. Men and women in both nations are safer now because of her work, and all of us who value freedom owe Sgt. Shero a profound debt of gratitude. I know that the thoughts and prayers of many people are, like mine, with her family and her friends tonight.

Like the two service members who died with her, and the 37 others killed in Afghanistan during this war, including West Virginian Sgt. Gene Vance, Jr., Sgt. Shero bravely did her duty as an American. Now, let us promise to do ours in her honor. Let us remember always, including on the floor of this Senate Chamber, that wars are about people, and freedom, and lives. Let us make certain that our armed forces have the tools they need to meet any foe, any where, any time. And let us treasure the freedoms we enjoy as Americans and give thanks for the service members who fight to protect them.

Sgt. Shero represented the best of West Virginia and the best of America. She was strong, courageous, and dedicated. She will forever serve as a role model for West Virginians, men and women alike, who loved their country and who, like her, know our ideals are worth fighting for.

THE ABM TREATY

Mr. REED. Madam President, I rise to acknowledge the fact that today, 6 months after President Bush announced the U.S. intention to withdraw from the ABM Treaty, the Treaty lapses. The 30-year-old treaty, which most consider to be the cornerstone of arms control, now no longer exists.

The significance of today has gone largely unnoticed. Press coverage has been minimal so because American will likely not realize what happens today. The objections of Russia and China to the withdrawal have been muted. Our European allies have reluctantly accepted the withdrawal. Some would say that this lack of fanfare proves that the ABM Treaty was a relic of the cold war and needed to be renounced. I would argue that while today’s withdrawal seems insignificant at this moment, it has profound implications for the future.

When President Bush announced his intention to withdraw from the treaty, he stated: “I have conclude the ABM Treaty hinders our government’s ability to develop ways to protect our people from future terrorist or rogue-state missile attacks.” I would argue that this statement is incorrect. First, the greatest threat from terrorists is not from a long range missile but from methods we have witnessed and watched for since September 11 conventional transportation like planes and cargo ships, used as weapons.

Secondly, any testing of missile defenses that could be planned for the
next several years would not violate the ABM Treaty. We simply do not have the technology yet to test a system in violation of the treaty. An article in today’s New York Times states that on Saturday, ground will be broken for a test site in Port Greely, Alaska. The article states that this test site would violate the treaty. That is not correct. Under Article IV of the ABM treaty and paragraph 5 of a 1978 agreed statement, the U.S. simply has to notify Russia of U.S. intent to build another test range. As a matter of fact, the fiscal year 2002 Defense Authorization act authorized the funding for the Alaska test bed prior to the President’s announcement to withdraw from the treaty. As a supporter of the ABM Treaty and a member of the Senate Armed Services Committee, I can assure you that Congress clearly had no intent to authorize an action that would violate the treaty. The technologies which would indeed violate the ABM Treaty, sea-based and space-based systems, are mere concepts that are years away from constituting an action that would violate the treaty. In sum, despite the claims of the President, there was no compelling reason to withdraw at this time.

In addition, today, the United States becomes the first nation since World War II to withdraw from a major international security agreement. In the past 50 years only one other nation has attempted such an action. In 1993 North Korea announced its intention to withdraw from the Nuclear Non-Proliferation Treaty which caused an international crisis until North Korea reconsidered. The U.S. withdrawal has not caused an international crisis, but it does send a subtle signal. If the U.S. can withdraw from a treaty at any time without compelling reasons, what is to stop Russia or China from withdrawing from an agreement? Furthermore, could the U.S. be held accountable for the treaty if the U.S. objected to such a withdrawal since our nation began the trend? This administration must keep in mind that other nations can also take unilateral actions, but we might not be as comfortable with those decisions. Indeed, as we seek to eliminate the threat of weapons of mass destruction, this withdrawal sends the opposite signal.

As I mentioned before, the ABM treaty was the cornerstone of arms control. With its elimination, the U.S. worries about an increase in nuclear proliferation. As Joseph Cirincione said, “No matter what some people may tell you, each side’s nuclear force is based primarily on the calculation of the other side’s force.” If China believes its force could be defeated by a U.S. missile shield, China may decide it is in its best interest to increase the number of weapons in its arsenal to overwhelm the shield. If China increases its nuclear missile production, neighbors of India may feel it necessary to recalculate the size of its force. Of course, Pakistan would then increase its inventory to match India.

So, while there seems to be little consequence to cessation of the ABM Treaty today, if we are not careful it could be the spark of a new arms race.

As of today, the ABM Treaty no longer exists. But our work has just begun. Withdrawing from this treaty has implications on our nonproliferation and arms control agreements. Since September 11, every American has become acutely aware of the need to eliminate and secure nuclear materials so that they do not become the weapon of a terrorist. The only way we will not regret today’s action is to prove by future actions that the U.S. is truly committed to arms control and nonproliferation. The United States should robustly fund Non-Proliferation and Arms Control programs. The United States should pursue further negotiations with the Russians and agree to actually dismantle some weapons rather simply place them in storage. The United States should also ratify the Comprehensive Test Ban Treaty.

In his withdrawal announcement last December 13, President Bush said, “This is not a day for looking back, but a day for looking forward . . .” I agree. We cannot look back to a treaty that no longer exists but must work diligently from this day forward to ensure that the United States is taking the steps necessary to maintain the peace and security once sustained by the ABM Treaty.

ADDITIONAL STATEMENTS

APPRECIATION FOR LENEICE WU

• Mr. BIDEN. Madam President, I would like to take this opportunity to extend the appreciation of the Senate to a devoted public servant at the Congressional Research Service. Leneice Wu is retiring from CRS after 34 years of service to the United States Congress, a period spanning 17 Congresses and the tenures of eight Presidents.

In addition to her research responsibilities, Ms. Wu has undertaken numerous administrative responsibilities. Prior to her present position, within the CRS Foreign Affairs Division, Ms. Wu has served as head of the Central Research Unit, the International Organizations, Development, and Security Section, and the Defense Policy and Arms Control Section. Following these assignments she moved on to become the Foreign Affairs Division’s Program Coordinator and later Research Coordinator. Ms. Wu has also overseen a unique and vital resource to the Congress, CRS’s Language Services, which provides foreign language translations for Members and Divisions.

Ms. Wu is a fine example of those many staff in this institution who work in virtual anonymity to support the important work of the Congress. On behalf of my colleagues, I extend our deep appreciation to Ms. Wu for her service, and wish her the very best in her future endeavors.

WE THE PEOPLE: THE CITIZEN AND THE CONSTITUTION 2002 NATIONAL COMPETITION

• Mr. LUGAR. Madam President, I am pleased to rise today to recognize the signal accomplishments of students from Castle High School of Newburgh, IN, who were the Central States Regional Award winners in the 2002 “We the People: The Citizen and the Constitution” national competition.

The “We the People: The Citizen and the Constitution” program, administered by the Center for Civics Education, promotes an understanding of the rights and responsibilities of United States citizens. Students in the elementary, middle, and high school levels learn about the values and principles embodied in the Bill of Rights and the United States Constitution. The Castle High School team competed against fifty classes from throughout the country and testified before a mock
Congressional hearing as experts on Constitutional law. This kind of practical application of constitutional principles helps students in addressing modern public policy concerns.

These award-winning students demonstrate a deep understanding of the ideology of our governmental framework. Their commitment to excellence and thorough preparation is reflected in their achievement. They have truly brought pride to the State of Indiana.

The names of these young Hoosiers are: Carrie Baum, Michael Carter, Marc Chapman, Allison Craney, Robert Dagit, Kelly Daniels, Karen De Neve, Phillip Exline, George Ferguson, Jr., Bryan Hart, Kimberly Hedge, Melanie Hiatt, Rachel Hopper, Brett Howard, Eric Jenkins, Andy Jobe, Yvonne Laaper, Christine Lowe, Maureen Martin, Steven Melfi, Amanda Merold, Peter Murphy, Allan Patterson, Lynn Perry, Michelle Winger, Sarah Reinking, Rachel Roper, Michael Schmidt, Kellen Scott, Jeffrey Seibert, Kelly Smith, Matthew Suter, Prashant Tatineni, Stephanie Wurmnest.

I would also like to commend their teacher, Stan Harris, who did a remarkable job preparing the team for this achievement. He is a talented educator who has provided tremendous leadership for students in the Newburgh area.

Again, congratulations to Castle High School on a remarkable performance in the “We the People: The Citizen and the Constitution” national competition.

88TH BIRTHDAY OF MILWAUKEE NATIVE LARRY LEDERMAN

Mr. KOHL. Madam President, I rise here today to congratulate Milwaukee native Larry Lederman, who National Wrestling Hall of Fame magazine calls the “founder father of modern wrestling” and who recently celebrated his 88th birthday last month.

Larry is a prominent figure not only in Wisconsin sports history, but in American sports history. In 1939 he was the best wrestler in America in his weight class and arguably the best wrestler in the world. Larry was named to six Hall of Wall of Famees, including the Wisconsin AAU Hall of Fame in 1995, and most recently was elected to the International Wrestling Hall of Fame in Stillwater, Oklahoma.

Five years ago, the AAU selected Larry to give back the medals to the world’s greatest athlete, Jim Thorpe, taken from him in 1918, at a special ceremony in Wisconsin.

For 88 years Larry Lederman has provided us with many great memories and touched many lives, and it is my honor here today to celebrate his many achievements.

TRIBUTE TO NANZ & KRAFT FLORISTS

Mr. BUNNING. Madam President, I rise today to pay a proper tribute to Nanz & Kraft Florists of Louisville, KY. For over 150 years, Nanz & Kraft has served Kentuckians, providing them with beautiful and memorable floral arrangements for birthdays, anniversaries, funerals, hospital visits and various other occasions. Nanz & Kraft operates the first shop in the Commonwealth of Kentucky, and one of the biggest in the entire United States.

In 1850, the year Zachary Taylor died and Mr. Lincoln assumed the presidency of the United States, Henry Nanz decided to open a quaint little flower shop on Fourth Street in downtown Louisville. He cultivated his flowers on a one-acre suburban plot and in a 12′ x 20′ green house. In 1870, with business thriving, Henry Nanz packed his bags and moved the company to 30 acres of land in the St. Matthews area owned by a Mr. Charles Neuner. In 1872, Mr. Neuner made the decision to join the profitable company. For the next 82 years, the business was known as Nanz & Neuner.

When in 1900 Nanz & Neuner celebrated their 50th anniversary, the St. Matthews site contained an astounding 60 greenhouses, a 15-acre nursery, and ten acres of flowers. In addition to flowers, including Field Grown Roses, the company’s specialty. In 1954, Nanz & Neuner officially became Nanz & Kraft, changing names but retaining the same formula for success. Today, Nanz & Kraft’s main store is a 20,000 square foot building. There are three branch stores, and the business has about 125 employees, half full-time and the rest part-time. They are open every day of the year except Christmas and make more than 200 deliveries a day. Whether it be a birthday or a first date, Kentuckians can count on Nanz & Neuner to brighten up the occasion.

I ask that my fellow colleagues join me in thanking all the men and women who have worked so hard over the last 152 years to make Nanz & Kraft one of the most profitable and well-respected floral businesses in the United States. Nanz & Kraft truly is a tribute to the American capitalist spirit. They have served the Commonwealth in three different centuries now, through a Civil and two World Wars, and through 21 different presidents, and I would just like to pass along my thanks and admiration.

THE 2002 NATIONAL MEDAL OF TECHNOLOGY TO PROFESSOR JERRY M. WOODALL OF YALE UNIVERSITY

Mr. LIEBERMAN. Madam President, I rise today to express my heartfelt congratulations to a Connecticut resident, Professor Jerry M. Woodall of Yale University, for being awarded the 2002 National Medal of Technology, our country’s highest honor, celebrating America’s inventors. This represents the first time that a professor from Yale has ever achieved this extraordinary recognition, and it serves to underscore Yale’s deep and renewed commitment to establishing itself as one of the world’s premier engineering institutions.

I cannot imagine another person for whom this prestigious award is more deserved. Professor Woodall, who holds the position of C. Baldwin Sawyer Professor of Electrical Engineering at Yale, has conducted pioneering research in compound semiconductor materials and devices over a career-spanning four decades. Fully half of the entire world’s annual sales of compound semiconductor components are made possible by his research legacy. He invented electronic and optoelectronic devices seen ubiquitously in modern life, including the red LEDs used in indicators and stoplights, the infrared LED used in CD players, TV remote controls and computer networks, the high speed transistors used in cell phones and satellites, and the mid-infrared laser used in optical recording.

Professor Woodall spent most of the early and mid parts of his career at the IBM Thomas J. Watson Research Center, where he rose to the coveted rank of IBM Fellow. He built the first high purity single crystals of gallium arsenide, enabling the first definitive measurements of carrier velocity versus electric field relationships, as well as GaAs crystals used for the first non-supercooled injection laser. He and Hans Ruprecht pioneered the liquid-phase epitaxial growth of both Si doped GaAs used for high efficiency IR LEDs, and gallium aluminum arsenide (GaAlAs), which led to his most important research contribution so far the first working heterojunction. They built it from gallium aluminum arsenide mated to gallium arsenide (GaAlAs/GaAs), and it remains the world’s most important compound semiconductor heterojunction.

He then invented and patented many important components, high-speed electronic and photonic devices which depend on the heterojunction, including bright red LEDs and the two classes of ultra-fast transistors, called the heterojunction bipolar transistor (HBT) and pseudomorphic high-electron-mobility transistor (pHEMT). Many new areas of solid-state physics have evolved and been realized as a result of his work, including the semiconductor superlattice, low-dimensional systems, mesoscopics, and resonant tunneling.

Professor Woodall was elected to the National Academy of Engineering in 1989 and is a fellow of the American Physical Society (APS), the Institute of Electrical and Electronics Engineers (IEEE), the Electrochemical Society (ECS), and AVS. He has served as president of the ECS and AVS, and on the board and executive committee of the American Institute of Physics (AIP). He has published 315 publications in the literature and been issued 67 U.S. patents. He received five major IBM Research Division Awards, 30 IBM Invention Achievement Awards, and an
IBM Corporate Award in 1992 for the invention of the GaAlAs/GaAs heterojunction. Other recognition includes a 1975 Industrial Research 100 Award; the 1980 Electronics Division Award of the Electrochemical Society (ECS); the 1980 IRE, Jack A. Morton Award; the 1983 ECS Goodrich Acheson Award; the 1985 ECS Edward Goodrich Acheson Award, its highest honor.

Woodall co-founded LightSpin Technologies, Inc., a high technology start-up company, and serves as its Chief Science Officer. From 1993 through 1999, he held the Charles William Har- rison Distinguished Professorship of Microelectronics at Purdue University. He earned a Ph.D. in electrical engineering from Cornell University and a B.S. in metallurgy from MIT.

I speak with utmost sincerity in expressing my gratitude to Professor Woodall for the lifetime of contributions or, more accurately, several lifetime’s worth of contributions that he has rendered in service to our nation in enabling it to become the world leader in technology and research. Our lives and our society would be dramatically different today had we not benefited from Professor Woodall’s drive and genius, and it fills me with exceptional pride to see him recognized for his efforts. Outstanding technologists such as he create the tools to fully realize human and societal potential, and by having someone as accomplished as Professor Woodall on its faculty, both Connecticut and Yale University will be well-situated to produce the next generation of engineering lights. On behalf of your state and your country, Professor Woodall, please accept my deepest congratulations and thanks.

THE COMMUNITY ACTION PROGRAM EAST CENTRAL OREGON (CAPECO)

Mr. SMITH of Oregon. Madam President, I rise today to commend my friends and community Action Program East Central Oregon, CAPECO. CAPECO was formed in October 1987 to support the economic development efforts of Morrow, Umatilla, Gilliam, and Wheeler counties through its worker training services.

Located in my home town of Pendleton, OR, CAPECO works with the Oregon Workforce Alliance to offer employment and training services to employers and citizens of Morrow and Umatilla counties. CAPECO is an active member of the Oregon Workforce to help job seekers, workers, and employers. The Program has been active since the inception of the Workforce Investment Act and has been a tremendous help to hundreds of displaced workers trying to get back on their feet. This important program not only provides up to fifty percent of displaced workers’ wages, but it offers skill assessments and retraining, and help with job applications, interviewing techniques, and stress management.

I have heard from many constituents about how important this service has been in getting back to work or gaining skills for a new job. Ms. Mary Paige Rose recently contacted me to tell me how CAPECO changed her career. Ms. Rose wrote and was classified as a displaced worker by Oregon’s Employment Department. They directed me to go to CAPECO and attend their classes called Choices and Options. This class was instructed by Mary Kinsch who became my work force counselor and confidant. In less than a year, I have opened my own business due to the services I received from CAPECO... When I was fired from my account executive sales position... it devastated me. I had never been fired before and never had needed to use these types of social services. I am forever grateful for CAPECO and for the Oregon Employment Department for assisting me. I would not be where I am today without the help of this program like CAPECO. I am not a liability to Umatilla County or the State of Oregon, I am an asset. I appreciate all the help that Mary Kinsch and CAPECO were able to give me through the Workforce Investment Act. Please know that programs like CAPECO are very needed especially in such a distressed area as Umatilla County.

Madam President, I am proud of CAPECO’s important contribution to the Oregon economy and proud of constituents like Ms. Rose who have taken advantage of these services and also contributed to job growth in the state. They are a credit to my state of Oregon and to this country.

GRANT CHAPEL

Mr. BINGAMAN. Madam President, on June 14, the church family of Grant Chapel in Albuquerque celebrates what its pastor describes as “one hundred twenty years of God’s faithfulness to Grant and to the community of Albuquerque.”

Organized in 1883 as the “Colored Methodist Mission,” it was founded to serve as a place of worship for African American people in New Mexico. A year later, it was one of five churches awarded a plot of land by New Mexico governor for development in Albuquerque. In 1882, it became known as the Coal Avenue Methodist Church and in 1905 it was re-named Grant Chapel to honor Bishop Abram Grant of the 5th Episcopal District which included the states and territories in the West.

Building and growing are very much part of Grant Chapel’s history. The congregation has chosen to change sites over the years, and with each move, a new vitality has been infused into the church. Over the course of its history, some fifty ministers have served here, each building on one another’s success, and contributing to its influence in the community.

I am proud to add my voice in praise of the good people—past, present and future—of Grant chapel, and to wish them at least another hundred twenty years of prayers.

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

ENROLLED BILL SIGNED

At 12:05 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 2431. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits.

The enrolled bill was signed subsequently by the President pro tempore (Mr. BYRD)

At 12:24 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 4775) making supplemental appropriations for further recovery from and response to terrorist attacks on the United States for the fiscal year ending September 30, 2002, and for other purposes, and agrees to the conference proceedings.)

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The discussion is adjourned.
of the Senate to the bill (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes, and agrees to the conference report of the Senate on the conference report on the bill under agreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Energy and Commerce, for consideration of sections 125, 152, 305–6, 801, division B, division E, and section 6512 of the House bill and sections 501–507, 509, 513–516, 770–772, 807–809, 814–816, 824, 832, 1001–1022, title XI, title XII, title XIII, title XIV, sections 1502, 1504–1505, 1514–1515, 1801–1805 of the Senate amendment, and modifications committed to conference: Mr. BOEHLERT, Mr. BARTLETT of Maryland, and Mr. HALL of Texas:

That Mr. COSTELLO is appointed in lieu of Mr. HALL of Texas for consideration of division E of the House bill, and modifications committed to conference:

That Ms. WOOLSEY is appointed in lieu of Mr. HALL of Texas for consideration of sections 2001–2178 and 2201–2261 of division B of the House bill, and modifications committed to conference.

From the Committee on Transportation and Infrastructure, for consideration of sections 121–126, 151, 152, 401, 701, 2101–2105, 2141–2144, 6104, 6507, and 6509 of the House bill and sections 102, 201, 205, 301, 701–783, 812, 814, 816, 823, 911–916, 918–920, 949, 1214, 1261–1262 and 1351–1353 of the Senate amendment, and modifications committed to conference: Mr. YOUNG of Alaska, Mr. PETRI, and Mr. OBESTAR:

That Mr. COSTELLO is appointed in lieu of Mr. OBESTAR for consideration of sections 121–126 of the House bill and sections 911–916 and 918–919 of the Senate amendment, and modifications committed to conference:

That Mr. BORSKI is appointed in lieu of Mr. OBESTAR for consideration of sections 151, 2101–2105, and 2141–2144 of the House bill and sections 812, 814, and 816 of the Senate amendment, and modifications committed to conference:

That Mr. DEFAZIO is appointed in lieu of Mr. OBESTAR for consideration of section 401 of the House bill and sections 201, 205, 301, 1262, and 1351–1352 of the Senate amendment, and modifications committed to conference:

From the Committee on Transportation and Infrastructure, for consideration of division C of the House bill and divisions H and I of the Senate amendment, and modifications committed to conference: Mr. THOMAS, Mr. MCCRERY, and Mr. RANGEL:

For consideration of the House bill and Senate amendments, and modifications committed to conference: Mr. DELAY.

At 3:21 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 bill, in which it requests the concurrence of the Senate:

H.R. 4019. An act to provide that the marriage penalty relief provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 4019. An act to provide that the marriage penalty relief provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent; to the Committee on Finance.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on June 13, 2002, she had presented to the President of the United States the following enrolled bill:

S. 2631. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. Res. 632: A bill to provide for the review and management of airport congestion, and for other purposes. (Rept. No. 107-162).

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

H. Con. Res. 387: A concurrent resolution recognizing the American Society of Civil Engineers for reaching its 150th Anniversary and for the many vital contributions of civil engineers to the quality of life of our Nation’s people including the research and development projects that have led to the physical infrastructure of modern America.

By Mr. BIDEN, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 238: A resolution recognizing the successful completion of democratic elections in the Republic of Korea.

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1956: A bill to combat terrorism and defend the Nation against terrorist attacks, and for other purposes.

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

S. Con. Res. 104: A concurrent resolution recognizing the American Society of Civil Engineers on the occasion of the 150th anniversary of its founding and for the many vital contributions of civil engineers to the quality of life of the people of the United States, including the research and development projects that have led to the physical infrastructure of modern America.

By Mr. BIDEN, from the Committee on Foreign Relations, with an amendment in the nature of a substitute and an amendment to the title and with an amended preamble:

S. Con. Res. 114: A concurrent resolution expressing the sense of Congress regarding North Korean refugees who are detained in China and returned to North Korea where they face torture, imprisonment, and execution.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

...
By Mr. LEAHY for the Committee on the Judiciary.

Henry E. Autrey, of Missouri, to be United States District Judge for the Eastern District of Missouri.

Richard E. Dorr, of Missouri, to be United States District Judge for the Western District of Missouri.

David C. Goeckley, of Texas, to be United States District Judge for the Northern District of Texas.

Henry E. Hudson, of Virginia, to be United States District Judge for the Eastern District of Virginia.

Timothy J. Savage, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

Amy J. St. Eve, of Illinois, to be United States District Judge for the Northern District of Illinois.

Gregory Robert Miller, of Florida, to be United States Attorney for the Northern District of Florida for the term of four years.

Kevin Vincent Ryan, of California, to be United States Attorney for the Northern District of California, for the term of four years.

Randall Dean Anderson, of Utah, to be United States Marshal for the District of Utah for the term of four years.

Ray Elmer Carnahan, of Arkansas, to be United States Marshal for the Eastern District of Arkansas for the term of four years.

David Scott Carpenter, of North Dakota, to be United States Marshal for the Eastern District of North Dakota for the term of four years.

Theodore M. Merrow, of Kentucky, to be United States Marshal for the Middle District of Georgia for the term of four years.

Ruben Monzon, of Texas, to be United States Marshal for the Southern District of Texas for the term of four years.

James Michael Wahlrab, of Ohio, to be United States Marshal for the Southern District of Ohio for the term of four years.

By Mr. BIDEN for the Committee on Foreign Relations.

Tony P. Hall, of Ohio, for the rank of Ambassador during his tenure of service as United States Representative to the United Nations.

*Nomination was reported with recommendation that it be confirmed subject to the nominee’s commitment to respect the Senate’s prerogatives 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 Mr. WELLSTONE (for himself and Mr. DAVIES):

S. 2617. A bill to protect the rights of American consumers to diagnose, service, and repair motor vehicles purchased in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. TORRICELLI (for himself and Mr. CORZINE):

S. 2618. A bill to direct the Director of the Federal Emergency Management Agency to designate New Jersey Task Force 1 as part of the National Urban Search and Rescue Response System; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself and Mr. SESSIONS):

S. 2619. A bill to provide for the analysis of the incidence and effects of prison rape in Federal, State, and local institutions and to provide information, resources, recommendations, and funding to protect individuals from prison rape; to the Committee on the Judiciary; to the Committee on Finance.

By Mrs. HUTCHISON (for herself and Mr. BROWNBACK):

S. 2620. A bill to provide that the marriage penalty relief provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent; to the Committee on Finance.

By Mr. LEAHY (for himself and Mr. BIDEN):

S. 2621. A bill to provide a definition of ‘vehicle for purposes of criminal penalties relating to terrorist attacks and other acts of violence against mass transportation systems; to the Committee on the Judiciary.

By Mr. HOLLINGS:

S. 2622. A bill to authorize the President to posthumously award a gold medal on behalf of Congress to Joseph A. De Laine in recognition of his contributions to the Nation; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WARNER (for himself and Mr. ALLEN):

S. 2633. A bill to designate the Cedar Creek Battlefield and Belle Grove Plantation National Historical Park as a unit of the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

**SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS**

The following concurrent resolutions and Senate resolutions were read, referred (or acted upon), as indicated:

By Mr. BIDEN (for himself and Mr. SPECTER):

S. Res. 264. A resolution expressing support for ‘‘National Night Out’’ and requesting that the President make neighborhood crime prevention, community policing, and reduction of school crime important priorities of the Administration; to the Committee on the Judiciary.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. Res. 265. A resolution expressing the sense of the Senate condemning the failure of the International Whaling Commission to recognize the needs of Alaskan Eskimos; to the Committee on Foreign Relations.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. Res. 286. A resolution commending and congratulating the Los Angeles Lakers for their outstanding drive, discipline, and mastery in winning the 2002 National Basketball Association Championship; considered and agreed to.

By Mr. HUTCHISON (for himself, Mr. DURBIN, Mr. BOND, and Mr. HOLLOWS):

S. Con. Res. 121. A concurrent resolution expressing the sense of the Senate condemning the failure of the International Whaling Commission to recognize the needs of Alaskan Eskimos; to the Committee on the Judiciary.

**ADDITIONAL COSPONSORS**

S. 839. At the request of Mr. BAYH, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S. 840. At the request of Mr. BIDEN, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 840, a bill to amend title XVIII of the Omnibus Crime Control and Safe Streets Act of 1968 to provide standards and procedures to guide both State and local law enforcement agencies and law enforcement officers during internal investigations, interrogation of law enforcement officers, and administrative disciplinary hearings, to ensure accountability of law enforcement officers, to guarantee the due process rights of law enforcement officers, and to require States to enact law enforcement discipline, accountability, and due process laws.

S. 933. At the request of Ms. SNOWE, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 913, a bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of all oral anticancer drugs.

S. 937. At the request of Ms. COLLINS, the names of the Senator from California (Mrs. FEINSTEIN) and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of S. 917, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for back pay and front pay awards received on account of such claims, and for other purposes.

S. 203. At the request of Mr. REID, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 251, a bill to remove a condition preventing authority for concurrent receipt of military retired pay and veterans’ disability compensation from taking effect, and for other purposes.

S. 2106. At the request of Mr. BINGAMAN, his name was added as a cosponsor of S. 2086, a bill to provide emergency agricultural assistance.

S. 2116. At the request of Mr. KERRY, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 2116, a bill to reform the program of block grants to States for temporary assistance for needy families to help States address the importance of adequate, affordable housing in programs to help families progress toward self-sufficiency, and for other purposes.

S. 2119. At the request of Mr. GRASSLEY, the name of the Senator from Delaware
(Mr. CARPER) was added as a cosponsor of S. 2119, a bill to amend the Internal Revenue Code of 1986 to provide for the tax treatment of inverted corporate entities and of transactions with such entities, and for other purposes.

S. 2134

At the request of Mr. ALLEN, the name of the Senator from Texas (Ms. HUTCHISON) was added as a cosponsor of S. 2134, a bill to allow American victims of state sponsored terrorism to receive compensation from blocked assets of those states.

S. 2194

At the request of Mr. MCCONNELL, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2194, a bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes.

S. 2215

At the request of Mrs. BOXER, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 2215, a bill to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of chemical and nuclear weapons, cease its illegal importation of Iraqi oil, and by so doing hold Syria accountable for its role in the Middle East, and for other purposes.

S. 2233

At the request of Mr. THOMAS, the names of the Senators from Kansas (Mr. BROWNBACK) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 2233, a bill to amend title XVIII of the Social Security Act to establish a medicare subvention program for veterans.

S. 2246

At the request of Mr. DODD, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2246, a bill to improve access to printed instructional materials used by blind or other persons with print disabilities, to improve the technology for reading and secondary schools, and for other purposes.

S. 2428

At the request of Mr. DODD, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 2428, a bill to amend title IV of the Social Security Act to title temporary assistance to needy families programs operated by Indian tribes, and for other purposes.

S. 2560

At the request of Mrs. CLINTON, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2560, a bill to provide for the establishment of investigative teams to assess building performance and emergency response and evacuation procedures in the wake of any building failure that has resulted in substantial loss of life or that posed significant potential of substantial loss of life, and for other purposes.

S. 2700

At the request of Mr. ALLARD, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2700, a bill to provide for a multi-agency cooperative effort to encourage further research regarding the causes of chronic wasting disease and methods to control the further spread of the disease in deer and elk herds, to monitor the incidence of the disease, to support State efforts to control the disease, and for other purposes.

S. 2812

At the request of Mr. DODD, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 2812, a resolution designating August 16, 2002, as "National Airborne Day."

S. CON. RES. 110

At the request of Ms. FEINSTEIN, the names of the Senators from Arizona (Mr. KYL), the Senator from Rhode Island (Mr. CHAFFE), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. Con. Res. 110, a concurrent resolution honoring the heroism displayed and displayed by airline flight attendants on a daily basis.

AMENDMENT NO. 3834

At the request of Mr. NELSON of Florida, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of amendment No. 3834, a bill to provide leakage of insurers to provide coverage for risks from terrorism.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WELLSTONE (for himself and Mr. DAYTON):

S. 2617. A bill to protect the rights of American consumers to diagnose, service, and repair motor vehicles purchased in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. WELLSTONE. Madam President, I rise today to introduce the Motor Vehicle Owners’ Right to Repair Act of 2002. This legislation would protect the viability of independent service station and repair shops and ensure that consumers will continue to have a choice of automotive service providers.

S. 2095. The President. I also announce that vehicle manufacturers install computer systems to monitor emissions in 1994 model year cars and beyond. Today, many vehicle systems are integrated into the car’s computer system, making auto repair an increasingly "high tech" business needing access to the computer and the information it contains vital to the ability to perform repairs.

Increasingly, however, independent repair shops are being barred access to the codes and diagnostic tools necessary to repair newer model cars. The effect is to reduce consumer choice for auto repair services, and to endanger the livelihood of small, family owned repair shops across the country.

On April 10, I met with a group of repair shop owners from Minnesota. They explained that new practices by some auto manufacturers were preventing them from competing on an even playing field. One thing they don’t need is another industry where all the little guys, the small, independent businesses, are driven out. This is terrible for our communities. And reduced competition means higher prices for consumers.

Specifically, the Motor Vehicle Owners’ Right to Repair Act would simply require a manufacturer of a motor vehicle sold in the United States to disclose to the vehicle owner, a repair facility, and the Federal Trade Commission, FTC, the information necessary to diagnose, service, or repair the vehicle. The bill bars the FTC from requiring disclosure of any information entitled to protection as a manufacturer’s trade secret.

This legislation is an example of what is good for small business is good for the consumer. The bill is endorsed by the 44 million member American Automobile Association, AAA, as well as the Automotive Service Association, the trade association of automotive service professionals.

To reiterate, I want to introduce a bill and tell colleagues about it. I have sent out a "Dear colleague" letter. There’s very much a pro-consumer bill as well. It is called the Motor Vehicle and Owners Right to Repair Act. There has to be a better title.

Basically, this is the issue. The automotive industry, for 100 years, has always shared information with mechanics. But post-1994, you have cars with very computerized systems. All of a sudden, the automotive industry is now saying to independent mechanics, we will not share with you the information about the computer system so you can’t fix your customers’ cars. The diagnosis, do the diagnosis and the repair, in which case I think it is a blatant anti-competitive practice.
It puts the independent mechanics, the small guys, out of business. In addition, it says to the consumers: Listen, you might want to take your car back to the dealership for repair, but now that is your only choice because you may want to go to the neighborhood independent mechanics who have worked for years and he might want your business, but we are going to make it impossible for him to get your business. We are going to make it impossible for you to go there.

I like this piece of legislation because it is little guy versus big guy. It feels right to me. At 5 feet, 5 inches, I like the little guys.

In April, some mechanics came by our office and talked with Perry Lang, who works with me, and they said this is happening to us and asked for some help.

I say on the floor of the Senate two things: No. 1, I am circulating a "Dear Colleague" letter. I hope to get a lot of support. I think there will be a lot of support.

This is going on in the House with a lot of Republicans as well as Democrats.

The second thing that I am saying to the industry today on the floor of the Senate—and I think they are watching this carefully—is we are going to get a good head of steam on this. If you want to sit down and negotiate an agreement with the mechanics that is fair to these independent mechanics, go ahead. Then we won't have to pass the legislation. But I could not believe when I heard the report of what they are dealing with.

Again, you have a blatant anticompetitive practice of the industry basically saying we will not share with you any information about our computerized systems. If the industry wants to say there is some kind of a trade patent secret which they can't share, they can go to the FTC and get appropriations. Otherwise, for 100 years, this has not happened. Now we get into a blatant collusion, anticompetitive practice that is unfair to the independent mechanics who a lot of Senators know as friends and as small businessmen. I am aiming to stop it.

By Mr. KENNEDY (for himself and Mr. SESSIONS):

S. 3619. A bill to provide for the analysis of incidence and effects of prisoner rape in Federal, State, and local institutions and to provide information, resources, recommendations, and funding to protect individuals from prisoner rape; to the Committee on the Judiciary.

Mr. KENNEDY. Madam President, as the Supreme Court has made clear, "being violently assaulted in prison is simply not part of the penalty that criminal offenders pay for their offenses against society." Government officials have a duty under the Constitution to prevent prison violence.

Too often, however, officials fail to take obvious steps to protect vulnerable inmates. Prison rape is a serious problem in our Nation's prisons, jails, and detention facilities. Of the two million prisoners in the United States, it is conservatively estimated that one in ten has been raped. According to a 1996 study, 22 percent of prisoners in the United States have been forced to have sex against their will while incarcerated. Human Rights Watch recently reported, "shocking high rates of sexual abuse" in U.S. prisons.

Prison rape can cause severe physical and psychological pain to its victims. It also leads to the increased transmission of HIV, hepatitis, and other diseases. The brutalization in prison also makes it more likely that prisoners will commit crimes after they are released, as 600,000 prisoners are each year.

To deal with this serious problem, Senator SESSIONS and I are today introducing the Prison Rape Reduction Act of 2002. This bipartisan legislation is intended to stop this rape epidemic in an effective and comprehensive manner, while still respecting the primary role of States and local governments in administering prisons and jails.

Our bill directs the Department of Justice to conduct an annual statistical review and analysis of the frequency and effects of prison rape. It establishes a special panel to conduct hearings on prison systems, prisons, and jails in the United States where the incidence of rape is high. It directs the Attorney General to collect complaints of rape from inmates, transmit them to the appropriate authorities, and review how the authorities respond. It also directs the Attorney General to provide information, assistance, and training to Federal, State, and local authorities on the prevention, investigation, and punishment of prison rape.

Our bill also authorizes $40 million in grants to receive Federal funding on rape in Federal, State, and local institutions. These grants will strengthen the ability of state and local officials to prevent these abuses.

Finally, our bill establishes a commission that will conduct hearings over two years and recommend national correctional standards on a wide range of issues, including inmate classification, investigation of rape complaints, trauma case for rape victims, and inmate education and training. These standards should apply as soon as possible to the Federal Bureau of Prisons. Prison accreditation organizations that receive Federal funding should also adopt the standards. States should adopt the standards too. If they adopt the standards, they will suffer no penalty, but States that fail to act at all will lose 20 percent of their prison-related Federal funding.

Our bill is supported by a broad coalition of religious, civil rights, and human rights organizations, including the Salvation Army, the Southern Baptist Convention, the National Association of Evangelicals, Prison Fellow-ship, Focus on the Family, the Presbyterian Church, the Justice Policy Institute, the Sentencing Project, Youth Law Center, Human Rights Watch, the National Association for the Advancement of Colored People, and the National Council of La Raza. Together, these organizations have demonstrated impressive moral leadership on this issue.

It is a privilege to work on this legislation with Congressmen FRANK WOLF and B , Bobby Scott in the House and Senator SESSIONS in the Senate. While we may disagree on other issues relating to criminal justice, we all recognize that rape is unacceptable, and it is long past time to end it.

Mr. SESSIONS. Madam President, I want to commend Senator KENNEDY for his leadership on the important issue of reducing prison rape. I have enjoyed working with him to craft and refine the legislation that we are introducing today, the Prison Rape Reduction Act of 2002. Though Senator KENNEDY and I come from different backgrounds and have different political philosophies, we both agree that Congress should act to reduce prison rape.

I would also like to thank Congressman FRANK WOLF and B, Bobby Scott for their important leadership on this bill in the House of Representatives. Congressman WOLF is a recognized champion for human dignity across the globe and this legislation to reduce prison rape is consistent with his philosophy. Congressman SCOTT is very knowledgeable on criminal law issues. While he and I have agreed and disagreed on many issues over the years, we agree on the need to reduce prison rape.

As a Federal prosecutor for 15 years and as Attorney General of Alabama, I sent many guilty criminals to prison where they belong. I believed that they should be treated fairly in court, and I treated them fairly. I also believed that they should be treated fairly in prison. Most prison wardens and sheriffs are outstanding public servants that do an excellent job of supervising inmates, and I commend my friends in the law enforcement community for their hard work in this area.

However, knowingly subjecting a prisoner to rape is cruel and unusual punishment under the Eighth Amendment to the Constitution of the United States. Some studies indicated that over 10 percent of the inmates in certain prisons are subject to rape. I hope that this statistic is an exaggeration. Nonetheless, it is the duty of Government officials to ensure that criminals who are convicted and sentenced to prison rape is consistent with his philosophy. While he and I have agreed and disagreed on many issues over the years, we agree on the need to reduce prison rape.

This bill responds to the problem of rape of prison inmates in three principal ways. First, the bill establishes a bipartisan National Commission that will study prison rape at the federal, state, and local levels. Within 2 years, the commission will publish the results
of its study and make recommendations on how to reduce prison rape.

Second, the bill directs the Attorney General to issue a rule for the reduction of prison rape in Federal prisons. To avoid a 20 percent reduction in certain inmates, each State will have to pass a statute that either adopts or rejects the standards for State prisons. This bill contains no unfunded mandate to order States how to deal with prison rape. It does, however, require that they address the issue.

Third, the bill will require the Department of Justice to conduct statistical surveys on prison rape for Federal, State, and local prisons and jails. Further, the Department of Justice will select officials in charge of certain Federal prisons with an incidence of prison rape exceeding the national average by 30 percent to come to Washington and testify to the Department about the prison rape problem in their institution. If they refuse to testify, the prison will lose 20 percent of certain Federal funds.

In addition, the bill provides for $40 million in grants to States for prevention, investigation, and prosecution of prison rape. This will help the States to reduce recidivism by inmates. A broad and bipartisan array of organizations and individuals have added their support to this bill. The list includes: American Psychological Association; American Values; Biblical Witness Fellowship, UCC; Camp Fire USA; Center for Religious Freedom, Freedom House; Christian Rescue Committee; Citizens United for Rehabilitation of Errants—Virginia, Inc. (Virginia CURE); Disciple Renewal; Focus on the Family; Mary Ann Glendon, Learned Hand Professor of Law, Harvard Law School; Good News, UMC; Human Rights Watch; Human Rights and the Drug War; Institute on Religion and Democracy; Justice Policy Institute; Lutheran Legal Assistance; Lutheran Office for Governmental Affairs; National Association for the Advancement of Colored People; National Association of Evangelicals; National Association of School Psychologists; National Center on Institutions and Alternatives; National Council for La Raza; National Network for Youth; National Mental Health Association; Marvin Olasky, Editor—World Magazine; Partnership for Responsible Drug Information; Presbyterian Church (U.S.A.); Prison Fellowship; Religious Action Center; Religious Coalition for Renewal Network; Research and Policy Reform, Inc.; Salvation Army; The Sentencing Project; Southern Baptist Convention; Stop Prison Rape; Unitarian Universalists for Juvenile Justice; Volunteers of America; and Youth Law Center.

I am especially proud of the evangelical Christian groups for their work in gathering support for the bill. They have worked tirelessly for ethics and communal support, and this legislation reflects those values.

I would also like to thank Linda Chavez and Mike Horowitz for the ideas that started this legislative initiative. Well-conceived, carefully crafted ideas drive many legislative and political initiatives that become law after people work together to form a bipartisan, moral position.

I also want to commend the hard work of Bill Pryor, the attorney general of Alabama, who will end up dealing with the effects of this legislation at the state level. Bill has worked with Prison Fellowship, has talked with Alabama legislators, and has worked with me on this legislation. In addition to being an outstanding legal scholar and leader among all the States’ attorneys general, Bill cares about people and demands fairness in how the State treats both victims and prisoners. I was very pleased that Attorney General Pryor joined us at the press conference to express his support of the bill.

This bill will address prison rape, not through unfunded mandates and lawsuits, but through examining the problem and allowing sunshine to expose deficiencies that need to be addressed. This bill is a necessary step to reform and a bipartisan step toward justice.

By Mr. LEAHY (for himself and Mr. BIDEN);

S. 2621. A bill to provide a definition of vehicle for purposes of criminal penalties relating to terrorist attacks and other acts of violence against mass transportation systems; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, I rise to introduce legislation today with Senator BIDEN to clarify that an airplane is a vehicle for purposes of terrorist and other violent acts against mass transportation systems. A significant question about this point has been raised in an important criminal case and deserves our prompt attention.

Earlier this week, on June 11, 2002, a U.S. District Judge in Boston dismissed one of the nine charges against Richard Reid on his alleged attempt to detonate an explosive device in his shoe while onboard an international flight from Paris to Miami on December 22, 2001. The dismissed count charged defendant Reid with violating section 1993 of title 18, United States Code, by attempting to "reckless, set fire to, and disable a mass transportation vehicle."

Section 1993 is a new criminal law that was added to the USA PATRIOT Act to punish terrorist attacks and other acts of violence against, inter alia, a "mass transportation" vehicle or ferry, or against a passenger or employee of a mass transportation provider. I had urged that this provision be included in the final anti-terrorism law considered by the Congress. A similar provision was originally part of S. 2783, the "21st Century Law Enforcement and Public Safety Act," that I introduced in the last Congress in June, 2000 on the request of the Clinton Administration.

The district court rejected defendant Reid’s arguments to dismiss the section 1993 charge on grounds that 1. the penalty provision does not apply to an "attempt" and 2. an airplane is not engaged in "mass transportation." "Mass transportation" is defined in section 1993 by reference to the "the meaning of the term "vehicle" as defined in section 1992 of title 49, U.S.C., except that the term shall include schoolbus, charter and sightseeing transportation." Section 5302(a)(7), in turn, provides the following definition: "mass transportation" means transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter or sightseeing transportation. The court explained that "commercial aircraft transport large numbers of people every day" and that the definition of "mass transportation" "when read in an ordinary or natural way, encompasses aircraft of the kind at issue here." U.S. v. Reid, CR No. 02–10013, at p. 10, 12 (D. MA, June 11, 2002).

Defendant Reid also argued that the section 1993 charge should be dismissed because an airplane is not a "vehicle." The court agreed, citing the fact that the term "vehicle" was defined in section 1993 and that the Dictionary Act, 1 U.S.C. § 4, narrowly defines "vehicle" to include "every description of carriage or other artificial contrivance used, or capable of being used, as a means of transportation on land." Emphasis in original opinion. Notwithstanding common parlance and other court decisions that have interpreted this Dictionary Act definition to encompass aircraft, the district court relied on the narrow definition to conclude that an aircraft is not a "vehicle" within the meaning of section 1993.

The new section 1993 was intended to provide broad federal criminal jurisdiction over terrorist and violent acts against all mass transportation systems, not only bus services but also commercial airplanes, cruise ships, railroads and other forms of transportation available for public carriage. The bill I introduce today would add a definition of "vehicle" to section 1993 and clarify that an airplane is a "vehicle" both in common parlance and under this new criminal law to protect mass transportation systems. Specifically, the bill would define this term to mean "any carriage or other contrivance used, or capable of being used, as a means of transportation on land, water or through the air." I urge the Senate to act promptly and pass this 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:

S. 2621

Be it enacted by the Senate and House of Representates of the United States of America in Congress assembled.

SECTION 1. DEFINITION. Section 1993(c) of title 18, United States Code, is amended—
By Mr. HOLLINGS: S. 2622. A bill to authorize the President to posthumously award a gold medal on behalf of Congress to Joseph A. De Laine in recognition of his contributions to the Nation; to the Committee on Banking, Housing, and Urban Affairs.

Mr. HOLLINGS. Madam President, I rise today to introduce legislation to present Reverend Joseph A. De Laine the Congressional Gold Medal in honor of his heroic sacrifices to desegregate education, subjected to a reign of doctri nous terror — to break down barriers in education forever scarred his own life, but led to the landmark Brown v. Board of Education case in 1954.

Eight years before Rosa Parks refused to move to the back of the bus, Rev. De Laine, a minister and principal, organized African-American parents to petition the Summerton, SC, school board for a bus and gasoline so their children would not have to walk 10 miles to attend a segregated school. A year later, in Briggs v. Elliott, the parents sued to end segregation. It was a case that as a young lawyer I watched Thurgood Marshall argue before the Supreme Court as one of the five cases collectively known as Brown.

When the Briggs v. Elliott case came up, the second week in January, before he was sworn in, he called me and said: ''You've got to help me with this measure. The second thing the Governor did was to call me up and say: ``I'm appointing you to go to Washington, because you know intimately this law here that built 50 years ago. You have to go to Washington in case any questions of fact come up.''

So we took a train to Washington. We came into our breakfast, we found out that Station, and we sat down for breakfast. I will never forget it, because Thurgood Marshall walked in. He and Bob McC. Figg had become really close friends. So breakfast was going on. And Thurgood added, for God's sake, don't tell anybody that or it will ruin me. I said: ''For God's sake, don't tell anybody I'm eating breakfast with, or I will never get elected again.''

I tell you that story so you can get a feel for 1952, for what it was like 50 years ago.

We had wanted Briggs to be the lead case before the Supreme Court. It was one of five cases that they would hear collectively. But soon after our breakfast, we found out that Roy Wilkens from the NAACP had gotten together with the Solicitor General and moved the Kansas case in front of the South Carolina case. Some reports said the reason was because they wanted a northern case. That was not it.

There was another case from the State of Delaware, which was just as much a State of Delaware. Kansas was selected because up until the sixth grade, yes, it was segregated. But thereafter it was a local option, and the schools were mostly integrated.

Before the court John W. Davis obviously made a very impassioned, constitutional argument. But Thurgood Marshall made the real argument, there wasn't any question about it. He had been the Democratic nominee for president in 1948. He was considered the greatest constitutional mind in the country.

The second thing the Governor did was to call me up and say: ''I'm appointing you to go to Washington, because you know intimately this law here that built 50 years ago. You have to go to Washington in case any questions of fact come up.''

When the Briggs v. Elliott case came up, before Judge Waring in Charleston, he questioned separate but equal. Then in December 1952, the case went to the Supreme Court. He was the Solicitor General of the United States. He had been the Democratic nominee for president in 1924. He was considered the greatest constitutional mind in the country.

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The second thing the Governor did was to call me up and say: "I'm appointing you to go to Washington, because you know intimately this law here that built 50 years ago. You have to go to Washington in case any questions of fact come up."
We have both Andy Chishom and Israel Brooks as the first black Marshalls of South Carolina. Matthew Perry, the first black district judge of a Federal court ever appointed, I appointed. I went to the Federal district court, Margaret Seymour, I appointed her. So we have made a lot of progress along that line.

But to give you some idea about how things have changed, I remember speaking at the C.A. Johnson High School in Columbia, the largest black high school in the entire state, the day after Martin Luther King was assassinated.

At the event, there was a mid-shipman, a senior, who stood up and said and made one of the finest talks I ever heard.

I turned to the principal, because it was his son, and I asked: who appointed your son to the Naval Academy. He didn’t answer. We walked down the row, and I can see me now, asking him again. He still didn’t answer. When I got to my car, I said evidently you don’t understand my accent from Charleston.

Who appointed your son to the U.S. Naval Academy? He said, “Senator, I didn’t want to have to answer that question. We couldn’t get a North Carolina delegation to appoint him. Hubert Humphrey appointed him.”

What goes around, comes around. Today, I have more students to West Point, Annapolis, and the Air Force Academies than anybody. Recently I had Chuck Bolden, who is a major general in the Marine Corps and who is going to return to NASA as the number two person there. But the Pentagon raised the question about taking such a talent during a time of war and moving him to the civilian space program. So we said the heck with it, he’s too needed in the military.

That is the effective way. Elliott had on this public servant. There isn’t any question that without the courage of your parents, our society would be a lot worse off today. I was there a few years back when the Congress of the United gave the Congressional Gold Medal. I thought, “Oh no.” He wants us to give it to a somebody else. But to give you a feel for how things have changed, I remember speaking at the C.A. Johnson High School in Columbia, the largest black high school in the entire state, the day after Martin Luther King was assassinated.

I don’t want to have to answer that question. We couldn’t get a North Carolina delegation to appoint him. Hubert Humphrey appointed him.”

What goes around, comes around. Today, I have more students to West Point, Annapolis, and the Air Force Academies than anybody. Recently I had Chuck Bolden, who is a major general in the Marine Corps and who is going to return to NASA as the number two person there. But the Pentagon raised the question about taking such a talent during a time of war and moving him to the civilian space program. So we said the heck with it, he’s too needed in the military.

That is the effective way. Elliott had on this public servant. There isn’t any question that without the courage of your parents, our society would be a lot worse off today. I was there a few years back when the Congress of the United gave the Congressional Gold Medal to Rosa Parks. She deserved it, and we wouldn’t take anything from her for not moving her seat. But in the 1980s the worst they could have done to her was to pull her off the bus. These descendants lost their homes. They lost their livelihoods. They almost lost their lives. As far as continuing their life in the State of South Carolina, they could not do it.

Without their courage, without their stamina, without their tenacity in starting the Briggs v. Elliott case, we never would have had a civil rights act. We never would have had a voting rights act. We never would have had all the progress we’ve made over the many, many years.

So I wanted particularly to come back and to publicize these descendants. And I want to announce that I am putting forward a bill that would honor posthumously Rev. De Laine with a Congressional Gold Medal.

I need 66 co-sponsors in the Senate. We have to have similar support on the House side. But Cong. Clyburn, he can get way more votes than I can. I don’t think he’ll have any trouble. We’ll try to work it out so that in ’04, the 50th anniversary of when the decision came down, we’ll be able to make that presentation.

I just want to end by saying because of the courage of your parents, we made far more progress in the United States of America. Our country is a far better country. We are more than ever the land of the free and the home of the brave because of Briggs v. Elliott. And I thank you all very, very much.

By Mr. WARNER (for himself and Mr. ALLEN):
well dug-in army of over 30,000 men. Early had to make a decision to attack or retreat. He chose to attack. On the night of October 18, he sent three of his divisions under the command of Major General John Gordon across the Shenandoah River and along the flank of Massanutten Mountain to be at the federal position from the east, behind its entrenchments along Cedar Creek. After marching and maneuvering all night, Gordon’s divisions struck at dawn in a thick fog. The Federals were completely surprised. Early pushed the Federals all the way out of their camps, past Belle Grove plantation and all the way through Middleton. At midday, Gordon ordered a halt to the advance so that he could regroup his forces.

Being informed that there was a battle going on, Sheridan rushed to Middletown from Winchester. Once he arrived there in the afternoon, he found his army posted along a ridge north of Middletown. He was able to rally his men, and from the position he ordered a massive counterattack. The counterattack completely swpet the Confederates from the field.

The battle of Cedar Creek was significant for many reasons. The battle dealt the crushing blow to the Confederacy in the Shenandoah Valley, thus ending the career of Jubal Early in the process. Most importantly, however, coupled with the successes of General William Tecumseh Sherman in the Atlanta campaign, the battle boosted the morale of the war-weary North and guaranteed the re-election of President Abraham Lincoln. The untouched landscape of this battlefield and the historic structure of Belle Grove plantation still today evoke the stories of the war. This site will serve to tell the whole story of the campaigns of the Valley and visitors will experience the full impact of the War of these surrounding rural communities.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2623

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

SECTION 1. Short title.

This Act may be cited as the “Cedar Creek Battlefield and Belle Grove Plantation National Historical Park Act”.

SEC. 2. PURPOSE.

The purpose of this Act is to establish the Cedar Creek Battlefield and Belle Grove Plantation National Historical Park in order to—

(1) help preserve, protect, and interpret a nationally significant Civil War landscape and antebellum plantation for the education, inspiration, and benefit of present and future generations;

(2) serve as a focal point to recognize and interpret important events and geographic locations representing key Civil War battles in the Shenandoah Valley, including those battlefields associated with the Thomas J. (stoney) Jackson campaign of 862 and the decisive campaigns of 1864;

(3) tell the rich story of the Battle of Cedar Creek and its significance in the conduct of the war in the Shenandoah Valley; and

(4) preserve the significant historic, natural, cultural, military, and scenic resources found in the Cedar Creek Battlefield and Belle Grove Plantation areas, including joint public-private partnerships with local landowners and the community.

SEC. 3. FINDINGS.

Congress finds the following:

(1) The Battle of Cedar Creek, also known as the battle of Belle Grove, was a major event of the Civil War and the history of this country. It represented the end of the Civil War’s Shenandoah campaign of 864 and contributed to the reelection of President Abraham Lincoln and the eventual outcome of the war.

(2) 2,500 acres of the Cedar Creek Battlefield and Belle Grove Plantation were designated a national historic landmark in 1969 because of their ability to illustrate and interpret important eras and events in the history of the United States. The Cedar Creek Battlefield, Belle Grove Manor House, the Hester House, and Harmony Hall (a National Historic Landmark) are listed on the Virginia Landmarks Register.

(3) The Secretary of the Interior has approved the Shenandoah Valley Battlefields National Historic District Management Plan, September 2000, which preserves the District’s historic character, and protects and interprets 10 significant Civil War battlefields within the District, including the Cedar Creek battlefield.

(4) The Shenandoah Valley Battlefields National Historic District Management Plan, and the National Park Service Special Resource Study recognize the Cedar Creek battlefield as the most significant Civil War resource within the Historic District.

(5) The Shenandoah Valley Battlefields National Historic District Management Plan, which was developed with extensive public participation over a 3-year period and is administered by the Shenandoah Valley Battlefields Foundation, recommends that Cedar Creek Battlefield be established as a new national park unit to provide permanent protection for the battlefield and to serve as the central site to increase the public’s education and awareness of the War’s legacy throughout the Historic District.

(6) The Cedar Creek Battlefield Foundation, organized in 1988 to preserve and interpret the Cedar Creek Battlefield, has 30 acres of land within the boundaries of the National Historic Landmark. The foundation annually hosts a major reenactment and living history event on the Cedar Creek Battlefield.

(7) Belle Grove Plantation is a historic Site of the National Trust for Historic Preservation and the center of the decisive battle of Cedar Creek. Belle Grove Manor House was built by Isaac Hite, a Revolutionary War patriot married to the sister of Captain James Madison, who was a frequent visitor at Belle Grove. President Thomas Jefferson assisted with the design of the house. During the Civil War Belle Grove was used as the center of the decisive battle of Cedar Creek. Belle Grove is managed locally by Belle Grove, Incorporated, and has been open to the public since 1967. The house has undergone major restoration, which is now complete. The house was built in 1797, offering visitors an experience of the life and times of the people who lived there in the 18th and 19th centuries.

(8) The panoramic views of the mountains, natural areas, and waterways provide visitors with an inspiring setting of great natural beauty. The historic, natural, cultural, military, and scenic resources found in the Cedar Creek Battlefield and Belle Grove Plantation areas are nationally and regionally significant.

(9) The existing, independent, not-for-profit organizations dedicated to the protection and interpretation of these resources described above provide the Cedar Creek Battlefield with public-private partnerships to further the success of protecting, preserving, and interpreting these resources.

(10) None of these resources, sites, or stories of the Shenandoah Valley are protected by or interpreted within the National Park System.

SEC. 4. DEFINITIONS.

In this Act:

(1) COMMISSION.—The term “Commission” means the Cedar Creek Battlefield and Belle Grove Plantation National Historical Park Advisory Commission established by section 9.

(2) MAP.—The term “Map” means the map entitled “Cedar Creek Battlefield and Belle Grove Plantation National Historic Park”, numbered CECHR-60,000, and dated June 12, 2002.

(3) NATIONAL PARK.—The term “Park” means the Cedar Creek Battlefield and Belle Grove Plantation National Historical Park established under section 5 and depicted on the Map.

(4) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

SEC. 5. ESTABLISHMENT OF CEDAR CREEK BATTLEFIELD AND BELLE GROVE PLANTATION NATIONAL HISTORICAL PARK.

(a) ESTABLISHMENT.—There is established the Cedar Creek Battlefield and Belle Grove Plantation National Historical Park, consisting of approximately 3,000 acres, as generally depicted on the Map.

(b) AVAILABILITY OF MAP.—The Map shall be on file and available for public inspection in the offices of the National Park Service of the Department of the Interior.

SEC. 6. ACQUISITION OF PROPERTY.

(a) REAL PROPERTY.—The Secretary may acquire land or interests in land within the boundaries of the park, from willing sellers or by donation or purchase with donated or appropriated funds, or exchange.

(b) BOUNDARY REVISION.—After acquiring land for the Park, the Secretary shall—

(1) revise the boundary map of the Park to include newly acquired land within the boundary; and

(2) administer newly acquired land subject to applicable laws (including regulations).

(c) PERSONAL PROPERTY.—The Secretary may acquire personal property associated with, and appropriate for, interpretation of the Park.

(d) CONSERVATION EASEMENTS AND COVENANTS.—The Secretary is authorized to acquire conservation easements and enter into covenants regarding lands adjacent to the Park for willing sellers only. Such conservation easements and covenants shall have the effect of protecting the scenic, natural, and historic resources on adjacent lands and preserving the natural or historic setting of the Park when viewed from within or outside the Park.

(e) SUPPORT FACILITIES.—The National Park Service is authorized to acquire from willing sellers up to 50 acres of land outside the park boundary, but in close proximity to the park and appropriate for the purposes of the park.

(f) CURATORIAL FUNCTIONS.—The Secretary may acquire property or real property to provide for interpretation of the Park.

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SEC. 7. ADMINISTRATION.

The Secretary shall administer the Park in accordance with this Act and the provisions of law generally applicable to units of the National Park System, including—

(1) the Act entitled ‘‘An Act to establish a National Park Service, and for other purposes’’, approved August 25, 1916 (16 U.S.C. 1 et seq.); and

(2) the Act entitled ‘‘An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes’’, approved August 21, 1935 (16 U.S.C. 461 et seq.).

SEC. 8. MANAGEMENT OF PARK.

(a) MANAGEMENT PLAN.—The Secretary, in consultation with the Commission, shall prepare a management plan for the Park. In particular, the management plan shall contain provisions to address the needs of owners or managers of non-Federal land, including independent nonprofit organizations within the boundaries of the Park.

(b) SUBMISSION OF PLAN TO CONGRESS.—Not later than 3 years after the date of the enactment of this Act, the Secretary shall submit the management plan for the Park to Congress.

SEC. 9. CEDAR CREEK BATTLEFIELD AND BELLE GROVE PLANTATION NATIONAL HISTORICAL PARK ADVISORY COMMISSION.

(a) ESTABLISHMENT.—There is established the Cedar Creek Battlefield and Belle Grove Plantation National Historical Park Advisory Commission.

(b) DUTIES.—The Commission shall—

(1) advise the Secretary in the preparation and implementation of a general management plan described in section 8; and

(2) certify to the Secretary with respect to the identification of sites of significance outside the Park boundary deemed necessary to fulfill the purposes of this Act.

(c) MEMBERSHIP—

(1) COMPOSITION.—The Commission shall be composed of 15 members appointed by the Secretary so as to include the following:

(A) 1 representative from the Commonwealth of Virginia;

(B) 1 representative each from the local governments of Strasburg, Middletown, Frederick County, Shenandoah County, and Warren County;

(C) 2 representatives of private landowners within the Park;

(D) 1 representative from a citizen interest group;

(E) 1 representative from the Cedar Creek Battlefield Foundation;

(F) 1 representative from Belle Grove, Incorporated;

(G) 1 representative from the National Trust for Historic Preservation;

(H) 1 representative from the Shenandoah Valley Battlefields Foundation;

(1) 1 ex officio representative from the National Park Service;

(2) 1 ex officio representative from the United States Forest Service;

(3) CHAIRPERSON.—The Chairperson of the Commission shall be elected by the members to serve a term of one year renewable for one additional year.

(4) VACANCIES.—A vacancy on the Commission shall be filled in the same manner in which the original appointment was made.

4. TERMS OF SERVICE—

(A) In General.—Each member shall be appointed for a term of 3 years and may be reappointed for not more than 2 successive terms.

(B) INITIAL MEMBERS.—Of the members first appointed under paragraph (1), the Secretary shall appoint—

(1) 4 members for a term of 1 year;

(2) 5 members for a term of 2 years; and

(3) 6 members for a term of 3 years.

5. EXTENDED SERVICE.—A member may serve after the expiration of that member’s term until a successor has taken office.

6. MAJORITY RULE.—The Commission shall act and advise by affirmative vote of a majority of its members.

7. MEETINGS.—The Commission shall meet at least quarterly at the call of the chairperson or a majority of the members of the Commission.

8. QUORUM.—8 members shall constitute a quorum.

9. COMPENSATION.—Members shall serve without pay. Members who are full-time officers or employees of the United States, the Commonwealth of Virginia, or any political subdivision thereof shall receive no additional pay on account of their service on the Commission.

10. HEARINGS; PUBLIC INVOLVEMENT.—The Commission may, for purposes of carrying out this Act, hold such hearings, sit and act at such times and places, take such public testimony, and receive such evidence, as the Commission considers appropriate. The Commission may not issue subpoenas or exercise any subpoena authority.

11. FAC A NONAPPLICABILITY.—The Federal Advisory Committee Act shall not apply to the Commission.

12. CONSERVATION OF CEDAR CREEK BATTLEFIELD AND BELLE GROVE PLANTATION NATIONAL HISTORICAL PARK.

(a) ENCOURAGEMENT OF CONSERVATION.—The Secretary and the Commission shall encourage conservation of the historic and natural resources within and in proximity of the Park by landowners, local governments, organizations, and businesses.

(b) PROVISION OF TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to local governments, in cooperative efforts which complement the values of the Park.

(c) COOPERATION BY FEDERAL AGENCIES.—Any Federal entity conducting or supporting activities directly affecting the Park shall consult, cooperate, and, to the maximum extent practical, act in concert with the activities of the Secretary in a manner that—

(1) is consistent with the purposes of this Act and the standards and criteria established pursuant to the general management plan for the Park; and

(2) is not likely to have an adverse effect on the resources of the Park; and

(3) is likely to provide for full public participation in order to consider the views of all interested parties.

13. ENDOWMENT.

(a) In General.—In accordance with the provisions of subsection (b), the Secretary is authorized to receive and expend funds from any Federal endowment account established under the National Park Foundation, or its successors and assigns.

(b) PROVISION OF TECHNICAL ASSISTANCE.—Funds from the endowment may be expended exclusively as the Secretary, in consultation with the Commission, may designate for the interpretation, preservation, and maintenance of the Park resources and in public access areas. No expenditure shall be made pursuant to this section unless the Secretary determines that such an expenditure is consistent with the purposes of this Act.

SEC. 12. COOPERATIVE AGREEMENTS

(a) In General.—In order to further the purposes of this Act, the Secretary is authorized to enter into cooperative agreements with interested public and private entities and individuals (including the National Trust for Historic Preservation, Belle Grove, the Cedar Creek Battlefield Foundation, the Shenandoah Valley Battlefields Foundation, and the Counties of Frederick, Shenandoah, and Warren), through technical and financial assistance, including encouragement of the conservation of historic and natural resources within and near the Park.

(b) TECHNICAL AND FINANCIAL ASSISTANCE.—The Secretary may provide to any person, organization, or governmental entity technical and financial assistance for the purposes of this Act, including the following:

(1) Preserving historic structures within the Park.

(2) Maintaining the natural or cultural landscape of the Park.

(3) Local preservation planning, interpretation, and management of public visitation for the Park.

14. ROLES OF KEY PARTNER ORGANIZATIONS.

(a) In General.—In recognition that central portions of the Park are presently owned and operated for the benefit of the public by key partner organizations, the Secretary shall acknowledge and support the continued participation of these partner organizations in the management of the Park.

(b) PARTNERS.—Roles of the current key partners include the following:

(1) CEDAR CREEK BATTLEFIELD FOUNDATION.—The Cedar Creek Battlefield Foundation may—

(A) continue to own, operate, and manage the lands acquired by the Foundation within the Park;

(B) continue to conduct reenactments and other events within the Park; and

(C) transfer ownership interest in portions of their land to the National Park Service by donation, sale, or other means that meet the legal requirements of National Park Service land acquisitions.

(2) NATIONAL TRUST FOR HISTORIC PRESERVATION AND BELLE GROVE INCORPORATED.—The National Trust for Historic Preservation and Belle Grove Incorporated may continue to own, operate, and manage Belle Grove Plantation and its structures and grounds in a manner consistent with the purposes of this Act.

4. Gateway Communities.—The adjacent historic towns of Strasburg and Middletown shall be acknowledged at Gateway Communities to the Park.

5. Shenandoah Valley Battlefields Foundation.—The Shenandoah Valley Battlefields Foundation may continue to administer and manage the Shenandoah Valley Battlefields National Historical District in partnership with the National Park Service and in accordance with the Management Plan for the District in which the Park is located.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as are necessary to carry out this Act.
SENATE RESOLUTION 284—EX- PRESSING THE SUPPORT FOR "NATIONAL NIGHT OUT" AND REQUESTING THAT THE PRESIDENT MAKE NEIGHBORHOOD CRIME PREVENTION COMMUNITY POLICING AND REDUCTION OF SCHOOL CRIME IMPORTANT PRI- ORITIES OF THE ADMINIS- TRATION.

Mr. BIDEN (for himself and Mr. SPECTER) submitted the following resolu- tion; which was referred to the Com- mittee on the Judiciary:

Whereas neighborhood crime is a con- tinuing concern of the American people;
Whereas the fight against neighborhood crime and terrorism requires the cooperation of community residents, neighborhood crime watch organizations, schools, community policing groups, and other law enforcement officials;
Whereas neighborhood crime watch organizations are effective in promoting awareness about, and the participation of volunteers in, crime prevention activities at the local level;
Whereas the vigilance of neighborhood crime watch organizations creates safer communities and discourages drug dealers from operating in the communities monitored by those organizations;
Whereas the American people are concerned about violence and crime in schools, especially students that result in fatalities at school, and are seeking methods to prevent such violence and crime;
Whereas community-based programs involving law enforcement personnel, school administrators, teachers, parents, and local communities are effective in reducing vio- lence and crime in schools;
Whereas the Federal Government has made efforts to prevent neighborhood crime, in- cluding supporting community policing pro- grams;
Whereas the Attorney General has called for expanded efforts to support community policing a “miraculous sort of success”;
Whereas the Administration has supported neighborhood crime watch programs through the establishment of the Citizen Corps;
Whereas on August 6, 2002, people across America will take part in National Night Out, an event that highlights the importance of community participation in crime prevent- tion efforts;
Whereas on National Night Out partici- pants will light up their homes and neighbor- hoods between 7:00 p.m. and 10:00 p.m. on that date, and spend that time outside with their neighbors; and
Whereas schools that turn their lights on from 7:00 p.m. to 10:00 p.m. on August 6, 2002, send a positive message to the participants of National Night Out and show their commit- ment to reducing crime and violence in schools: Now, therefore, be it
Resolved, That the Senate—
(1) supports the goals of National Night Out;
(2) recognizes that the fight against neighbor- hood crime and terrorism requires individ- uals, neighborhood crime watch organiza- tions, schools, and community policing groups and other law enforcement officials to work together;
(3) encourages neighborhood residents, crime watch organizations, and schools to participate in National Night Out activities

on August 6, 2002, between 7:00 p.m. and 10:00 p.m.; and
(4) requests that the President—
(A) issue a proclamation calling on the people of the United States to participate in National Night Out with appropriate activi- ties; and
(B) make neighborhood crime prevention, community policing, and reduction of school crime important priorities of the Adminis- tration.

Mr. BIDEN. Madam President, today I rise to submit a resolution, along with Senator SPECTER, supporting “Na- tional Night Out,” a program at the forefront of the Nation’s effort to com- bat crime and terrorism. On August 6 of this year, over 33 million people in 9,700 communities from all 50 States will participate in the 19th Annual Na- tional Night Out. These volunteers greet their neighbors, meet with local police, and participate in block parties and parades, all to encourage citizens to become active caretakers of their communities. This resolution would sal- ute and encourage those efforts.

This past year has seen our nation both horrified by unthinkable tragedy, and driven to ensure that nothing so terrible ever happens again. Unfortu- nately, we can’t have a police officer protecting us on every block, during every minute, of everyday. And while many of us in the Congress have worked for years to enhance the tools and resources available to law enforce- ment, few things are more valuable in our ongoing war against terrorism and crime than the eyes and ears of con- scientious citizens. A 1995 study by the National Institute of Justice shows that crime rates are 40 percent lower, on average, in communities with high mutual trust among neighbors. By en- couraging members of each community to get to know one another, be familiar with their block, and work with local law enforcement officials to spot and address suspicious situations, National Night Out helps all of us sleep more soundly.

Today, with terrorists seeking to strike our homeland, our efforts to keep America’s streets safe are more crucial than ever. Working side by side with local law enforcement, neighbor- hood crime watch groups have been, and will continue to be an invaluable resource. In fact, a Justice Department survey indicates that 90 percent of law enforcement officers believe National Night Out enhances their policing pro- gram. Every summer, National Night Out provides Americans with a great oppor- tunity to meet their neighbors, show their patriotism, and keep their streets safe. I hope my colleagues will join Senator SPECTER and me in thanking them for making a difference, one doorstep at a time.


Mr. MURKOWSKI (for himself and Mr. STEVENS) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. Res. 285

Whereas the International Whaling Com- mission was founded in 1946 under the Intern- national Convention on the Regulation of Whaling, with the purpose of providing for the proper conservation of whale stocks in order to make possible the orderly develop- ment of the whaling industry;
Whereas the Commission has explicitly recognized aboriginal subsistence whaling as separate from commercial whaling and has in the past provided quotas for aboriginal subsistence whaling participants from Den- mark, the Russian Federation, St. Vincent and The Grenadines and the United States;
Whereas the Commission is specifically authorized to renew the aboriginal subsistence whaling which previously was designated for Alaska Eskimo whalers;
Whereas the Commission’s failure to reau- thorize quotas for aboriginal subsistence whaling was orchestrated by nations dis- gruntled by the United States position in op- position to the resumption of commercial whaling and determined to retaliate against legitimate United States interests in ab- original subsistence whaling;
Whereas aboriginal subsistence whaling has been a mainstay of the culture and live- hood of the Inuit people of Alaska for thou- sands of years;
Whereas whaling by the Inupiat people of northern Alaska brings significant benefits to every member of the successful villages, where whale meat is shared among all resi- dents;
Whereas the Inupiat people of Alaska have consistently followed responsible manage- ment practices in carrying out their whaling activities;
Whereas the Inupiat people of Alaska have embraced the goal of whale conservation and participated heavily in whale research and monitoring that demonstrates that their subsistence whaling has no adverse effect on the population of bowhead whales, their pre- dominant species. Now, therefore, be it
Resolved, That it is the sense of the Senate that—
(1) the failure of the Commission to renew aboriginal whaling quotas is inconsistent with the understandings on which the Com- mission is based, and jeopardizes the continu- ous existence of the aboriginal whaling industry as a mean- ingful international body; and
(2) regardless of any current or subsequent action of the Commission, the United States government should take all necessary steps to ensure the continuance of scientifically sound aboriginal subsistence whaling by the Inupiat people of Alaska.

Mr. MURKOWSKI. Madam President, I rise to offer a sense of the Senate resolution condemning the International Whaling Commission’s recent vote against renewing quotas for aboriginal subsistence whaling by Alaska’s Inuit people.

I have always respected both the goals and the processes of the International Whaling Commission, but my support has been badly eroded by re- cent events.
The Inupiat people of northern Alaska have engaged in environmentally responsible whaling practices for thousands of years, with no international supervision. They were forced to stand and watch as the great whales were decimated at international Commission meetings. Alaska's Inupiat people responded positively to the conservation goals of the International Commission, forming their own organization, the Alaska Eskimo Whaling Commission, which has participated wholeheartedly in International Commission meetings. The Alaska Commission has also put significant assets and effort toward research and monitoring that has proven conclusively that current Alaskan whaling poses no danger to the stocks of bowhead whales that are its target species.

Whaling is more important to the communities of northern Alaska than most can possibly understand. It provides a critical element of their diet, a major source of their survival. Weighing captains provide gear and supplies for their crews at significant cost, yet when a whale is taken, they receive no compensation other than the knowledge of a job well done, for which they are not even allowed to deduct their costs as charitable contributions. It is a job that is important not only to the whalers themselves, but to every resident of the whaling communities, where their catch is shared between young and old alike.

But that long history and honorable practice suffered a serious blow at the recent International Whaling Commission meeting in Shimoneskei, Japan. Nations promoting the resumption of commercial whaling, led by Japan itself, engineered a vote to reject the proposed renewal of quotas for Eskimo whaling.

It is clear from a statement released by the Japanese Fisheries Agency on May 24 that this action was taken solely to retaliate against the United States for our opposition to the resumption of commercial whaling, specifically our rejection of a small quota of Minke whales for four coastal villages. There is a word for such an act: "unfair." How could anything be more unfair than the action Japan has orchestrated against Alaska's Inupiat people?

I repeat, that this is not how international negotiations should be conducted. Targeting Alaska's Inupiat whaling is not justified and can only serve to further alienate even those who might be sympathetic to the Japanese villages.

The resolution I am introducing today condemns this unwarranted development, and calls on U.S. authorities to do everything in their power to ensure that aboriginal subsistence whaling in Alaska is allowed to continue under the same carefully wrought and scientifically justified system that currently guides it. I understand the various executive branch agencies with an interest in this issue are already engaged in doing just that, and they deserve our enthusiastic support.

Whereas the Los Angeles Lakers are 1 of the greatest sports franchises in history; Whereas the Lakers organization has won 14 National Basketball Association Championships; Whereas the Los Angeles Lakers are 1 of the fifth team to win 3 consecutive National Basketball Association Finals Most Valuable Player awards, joining Kareem Abdul-Jabbar, Earvin "Magic" Johnson, and now, Shaquille O'Neal and Kobe Bryant; Whereas Shaquille O'Neal won his third straight National Basketball Association Finals Most Valuable Player award, joining Michael Jordan as the only player to win 3 consecutive awards; Whereas Shaquille O'Neal scored a record 146 points in the 2002 4-game finals series; Whereas Shaquille O'Neal's 59.5 percent career field goal percentage in National Basketball Association Finals games is number 1 all-time and his 34.2 point scoring average ranks second; Whereas Kobe Bryant was named to the 2002 All-National Basketball Association First Team after averaging 25.5 points per game, 5.5 rebounds per game, and 5.5 assists per game during the regular season; Whereas Kobe Bryant averaged 40.2 points, 5.8 rebounds, and 5.3 assists during the 2002 National Basketball Association Finals; Whereas Coach Phil Jackson won his ninth National Basketball Association title tying the record of legendary Boston Celtics coach, Red Auerbach; Whereas Coach Phil Jackson won his 150th postseason game, surpassed former Lakers Coach Pat Riley to become the winningest playoff coach in National Basketball Association history; Whereas the Los Angeles Lakers epitomize the spirit of their hometown with their determination, heart, stamina, and amazing comeback ability; Senate recognizes the support of all the Los Angeles fans and the people of California propelled the Los Angeles Lakers to another National Basketball Association Championship, and hereby acknowledges the Los Angeles Lakers are poised to win a fourth straight National Basketball Association Championship next season; Now, therefore, be it Resolved, That the Senate commends and congratulates the Los Angeles Lakers on winning the 2002 National Basketball Association Championship Title.

Mr. HUTCHINSON (for himself, Mr. DURBIN, Mr. BOND, and Mr. HOLLINGS) submitted the following resolution; which was referred to the Committee on the Judiciary:

Resolved, That the Senate resolves that the Los Angeles Lakers are 1 of the greatest sports franchises in history; Whereas the Lakers organization has won 14 National Basketball Association Championships; Whereas the Los Angeles Lakers are 1 of the fifth team to win 3 consecutive National Basketball Association Finals Most Valuable Player awards, joining Kareem Abdul-Jabbar, Earvin "Magic" Johnson, and now, Shaquille O'Neal and Kobe Bryant; Whereas Shaquille O'Neal won his third straight National Basketball Association Finals Most Valuable Player award, joining Michael Jordan as the only player to win 3 consecutive awards; Whereas Shaquille O'Neal scored a record 146 points in the 2002 4-game finals series; Whereas Shaquille O'Neal's 59.5 percent career field goal percentage in National Basketball Association Finals games is number 1 all-time and his 34.2 point scoring average ranks second; Whereas Kobe Bryant was named to the 2002 All-National Basketball Association First Team after averaging 25.5 points per game, 5.5 rebounds per game, and 5.5 assists per game during the regular season; Whereas Kobe Bryant averaged 40.2 points, 5.8 rebounds, and 5.3 assists during the 2002 National Basketball Association Finals; Whereas Coach Phil Jackson won his ninth National Basketball Association title tying the record of legendary Boston Celtics coach, Red Auerbach; Whereas Coach Phil Jackson won his 150th postseason game, surpassed former Lakers Coach Pat Riley to become the winningest playoff coach in National Basketball Association history; Whereas the Los Angeles Lakers epitomize the spirit of their hometown with their determination, heart, stamina, and amazing comeback ability; Senate recognizes the support of all the Los Angeles fans and the people of California propelled the Los Angeles Lakers to another National Basketball Association Championship, and hereby acknowledges the Los Angeles Lakers are poised to win a fourth straight National Basketball Association Championship next season; Now, therefore, be it Resolved, That the Senate commends and congratulates the Los Angeles Lakers on winning the 2002 National Basketball Association Championship Title.

S. RES. 286

Whereas the Los Angeles Lakers are 1 of the greatest sports franchises in history; Whereas the Lakers organization has won 14 National Basketball Association Championships; Whereas the Los Angeles Lakers are 1 of the fifth team to win 3 consecutive National Basketball Association Finals Most Valuable Player awards, joining Kareem Abdul-Jabbar, Earvin "Magic" Johnson, and now, Shaquille O'Neal and Kobe Bryant; Whereas Shaquille O'Neal won his third straight National Basketball Association Finals Most Valuable Player award, joining Michael Jordan as the only player to win 3 consecutive awards; Whereas Shaquille O'Neal scored a record 146 points in the 2002 4-game finals series; Whereas Shaquille O'Neal's 59.5 percent career field goal percentage in National Basketball Association Finals games is number 1 all-time and his 34.2 point scoring average ranks second; Whereas Kobe Bryant was named to the 2002 All-National Basketball Association First Team after averaging 25.5 points per game, 5.5 rebounds per game, and 5.5 assists per game during the regular season; Whereas Kobe Bryant averaged 40.2 points, 5.8 rebounds, and 5.3 assists during the 2002 National Basketball Association Finals; Whereas Coach Phil Jackson won his ninth National Basketball Association title tying the record of legendary Boston Celtics coach, Red Auerbach; Whereas Coach Phil Jackson won his 150th postseason game, surpassed former Lakers Coach Pat Riley to become the winningest playoff coach in National Basketball Association history; Whereas the Los Angeles Lakers epitomize the spirit of their hometown with their determination, heart, stamina, and amazing comeback ability; Senate recognizes the support of all the Los Angeles fans and the people of California propelled the Los Angeles Lakers to another National Basketball Association Championship, and hereby acknowledges the Los Angeles Lakers are poised to win a fourth straight National Basketball Association Championship next season; Now, therefore, be it Resolved, That the Senate commends and congratulates the Los Angeles Lakers on winning the 2002 National Basketball Association Championship Title.

S. CON. RES. 121

Whereas community, migrant, public housing, and homeless health centers (referred to in this concurrent resolution as "health centers") are nonprofit, community-owned and community-operated health providers and are vital to the nation's communities; Whereas there are more than 1,000 health centers serving 12,000,000 people at more than 4,000 health delivery sites, spanning urban and rural communities in all 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands; Whereas health centers have provided cost-effective, quality health care to the nation's poor and medically underserved (including the working poor, the uninsured, and many high-risk and vulnerable populations), acting as a vital safety net in the nation's health delivery system, meeting escalating health needs, and reducing health disparities; Whereas health centers provide care to 1 of every 9 uninsured Americans, 1 of every 4 low-income Americans, and 1 of every 10 rural Americans, and without health centers these Americans would otherwise lack access to quality care; Whereas health centers and other innovative programs in primary and preventive care...
care reach out to 650,000 homeless persons and 700,000 farm workers; whereas health centers make health care responsive and cost-effective by integrating the delivery of primary care with aggressive outreach, patient education, translation, and enabling support services; whereas health centers increase the use of preventive health services such as immunizations, PAP smears, mammograms, and glaucoma screenings; whereas in communities served by health centers, infant mortality rates have been reduced by between 10 and 40 percent; whereas health centers are built by community initiative; whereas Federal grants provide seed money to empower communities to find partners and resources and to recruit doctors and needed health professionals; whereas Federal grants, on average, contribute 22 percent of a health center's budget, with the remainder provided by State and local governments, Medicare, Medicaid, private contributions, private insurance, and patient fees; whereas health centers are community-oriented and patient-focused; whereas health centers tailor their services to fit the special needs and priorities of communities by working together with schools, businesses, churches, community organizing foundations, and State and local governments; whereas health centers contribute to the health and well-being of their communities by keeping children healthy and in school and helping adults remain productive and on the job; whereas health centers engage citizen participation and provide jobs for 50,000 community residents; and whereas the establishment of a National Community Health Center Week for the week beginning on August 15, 2002, would raise awareness of the health services provided by health centers: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) there should be established a National Community Health Center Week for the week beginning on August 15, 2002, to raise awareness of the health services provided by health centers; and

(2) President should issue a proclamation calling on the people of the United States and interested organizations to observe such a week with appropriate programs and activities.

Mr.Tweeney J CHINCHON, Madam President, I rise today to submit a concurrent resolution, along with my colleagues, Senators DURBIN, BOND, and HOLLINGS, that would establish the week of August 18, 2002, as National Community Health Center Week.

Community, migrant, public housing, and homeless health centers are non-profit providers of health care for our Nation's medically underserved. An essential element of our Nation's safety net, health centers provide care to 1 of every 8 uninsured Americans, 1 of every 8 low-income Americans and 1 of every 10 rural Americans. In rural and small communities, health centers are often the only health care providers, and in many cases can be the difference between life and death. Communities served by health centers have experienced reduced infant mortality rates by as much as 10 and 40 percent. Not only are health centers contributing to the physical well-being of communities, they are also contributing to the economic well-being of the communities where they are located, by employing over 50,000 community residents nationwide.

I commend President Bush for recognizing the valuable role of community health centers. The President has wisely called for the establishment of 1,200 new and expanded health center sites by 2006 that will enable health centers to serve more than 16 million patients annually.

Congress should also pay tribute to the role of these centers in improving the health and well-being of our Nation's poor and medically underserved by establishing the week of August 18, 2002, as National Community Health Center Week.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3835. Mr. LEAHY (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table.

SA 3836. Mr. MCCONNELL (for himself, Mr. GRAMM, Mr. LOTT, and Mr. SANTORUM) proposed an amendment to the bill S. 2600, supra.

SA 3837. Mr. NELSON, of Nebraska (for himself and Mr. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, supra; which was ordered to lie on the table.

SA 3838. Mr. ALLEN (for himself, Mr. BURNS, Mr. WARNER, Mr. SMITH, of New Hampshire, Mrs. HUTCHISON, and Mr. HARKIN) submitted an amendment intended to be proposed by him to the bill S. 2600, supra.

SA 3839. Mr. HATCH proposed an amendment to the bill S. 2600, supra.

SA 3840. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill S. 2600, supra; which was ordered to lie on the table.

SA 3841. Mr. SANTORUM proposed an amendment to the bill S. 2600, supra.

SA 3842. Mr. BROWNBACK proposed an amendment to the bill S. 2600, supra.

SA 3843. Mr. BROWNBACK proposed an amendment to the bill S. 2600, supra; which was ordered to lie on the table.

SA 3844. Mr. ENSIGN proposed an amendment to the amendment SA 3843 proposed by Mr. BROWNBACK to the bill (S. 2600) supra.

SA 3845. Mr. REID (for Mrs. FEINSTEIN) proposed an amendment to the bill S. 2600, to amend the Immigration and Nationality Act to provide for the continued classification of certain aliens as children for purposes of that Act in cases where the aliens "age-out" while awaiting immigration processing, and for other purposes.

SA 3846. Mr. REID (for Mrs. FEINSTEIN) proposed an amendment to the bill S. 2600, to amend the Immigration and Nationality Act to determine whether an alien is a child, for purposes of classification as an immediate relative, based on the date the classification petition with respect to the alien is filed, and for other purposes.

TEXT OF AMENDMENTS

SA 3835. Mr. LEAHY (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

On page 14, line 9, insert before "the" the following:

"or that the bill was operated through such self insurance arrangements under applicable State law in effect on September 11, 2001."

SA 3836. Mr. MCCONNELL (for himself, Mr. GRAMM, Mr. LOTT, and Mr. SANTORUM) proposed an amendment to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

On page 29, strike line 1 and all that follows through page 30, line 17, and insert the following:

SEC. 10. PROCEDURES FOR CIVIL ACTIONS.

(a) FEDERAL CAUSE OF ACTION.—

(1) IN GENERAL.—There shall exist a Federal cause of action for claims arising out of or resulting from an act of terrorism, which shall be the exclusive basis of action and remedy for such claims, except as provided in subsection (f).

(b) GOVERNING LAW.—The substantive law for decision in an action described in subsection (a) shall be derived from the law, including applicable choice of law principles, of the State in which the act of terrorism giving rise to the action occurred, except to the extent that—

(1) the law, including choice of law principles, of another State is determined to be applicable to the action by the district court hearing the action; or

(2) otherwise applicable State law (including that determined under paragraph (1), is inconsistent with or otherwise preempted by Federal law.

(c) FEDERAL JURISDICTION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, not later than 90 days after the date of the occurrence of an act of terrorism, the Judicial Panel on Multidistrict Litigation shall assign a single Federal district court to conduct pretrial and trial phases in all pending and future civil actions for claims arising out of or resulting from that act of terrorism.

(2) SELECTION CRITERIA.—The Judicial Panel on Multidistrict Litigation shall select and assign the district court under paragraph (1) based on the convenience of the parties and the just and efficient conduct of the proceedings.

(3) JURISDICTION.—The district court assigned by the Judicial Panel on Multidistrict Litigation shall have original and exclusive jurisdiction over all actions under paragraph (1), for purposes of personal jurisdiction, the district court assigned by the Judicial Panel on Multidistrict Litigation shall be deemed to sit in all judicial districts in the United States.

(4) TRANSFER OF CASES FILED IN OTHER FEDERAL COURTS.—Any civil action for claims arising out of or resulting from an act of terrorism that is filed in a Federal district court other than the Federal district court assigned by the Judicial Panel on Multidistrict Litigation under paragraph (1) shall be transferred to the Federal district court so assigned.
SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

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Strike all after the enacting clause and insert the following:

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

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Strike all after the enacting clause and insert the following:

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Strike all after the enacting clause and insert the following:

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SA 3837. Mr. NELSON of Nebraska (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:
21 days after the date of enactment of this Act, submits written notification to the Secretary of its intent to participate in the Program with regard to the specific lines of property and casualty insurance; (C) that receives direct premiums for group life insurance coverage, including accidental death and disability insurance, and not later than 21 days after the date of enactment of this Act, submits written notification to the Secretary of its intent to participate in the Program; and (D) that meets any other criteria that the Secretary may reasonably prescribe.

(7) PARTICIPATING PROPERTY AND CASUALTY INSURANCE COMPANY DEDUCTIBLE.—The term “participating property and casualty insurance company deductible” means (A) a participating property and casualty insurance company’s market share, multiplied by $10,000,000,000, with respect to insured losses resulting from an act of terrorism occurring during the period beginning on January 1, 2003, and ending at midnight on December 31, 2002; and (B) a participating property and casualty insurance company’s market share, multiplied by $15,000,000,000, with respect to insured losses resulting from an act of terrorism occurring during the period beginning on January 1, 2003, and ending at midnight on December 31, 2003, if the Program is extended in accordance with section 6.

(8) PARTICIPATING GROUP LIFE INSURANCE COMPANY DEDUCTIBLE.—The term “participating group life insurance company deductible” means (A) a participating group life insurance company’s market share, multiplied by $2,000,000,000, with respect to insured losses resulting from an act of terrorism occurring during the period beginning on the date of enactment of this Act and ending at midnight on December 31, 2002; and (B) a participating group life insurance company’s market share, multiplied by $3,000,000,000, with respect to insured losses resulting from an act of terrorism occurring during the period beginning on the date of enactment of this Act and ending at midnight on December 31, 2003, if the Program is extended in accordance with section 6.

(9) PERSON.—The term “person” means any individual, business, or nonprofit entity (including Federal, State, or other governmental or quasi-governmental entities (and by any other entity, as the Secretary deems appropriate) operating through self insurance arrangements that were in existence on September 11, 2001, but only if the Secretary makes a determination with regard to participation by any such entity before the occurrence of an act of terrorism in which the entity incurs an insured loss.

(10) PROGRAM.—The term “Program” means the Terrorism Insured Loss Shared Compensation Program established by this Act.

(11) PROPERTY AND CASUALTY INSURANCE.—The term “property and casualty insurance” means (A) commercial lines of property and casualty insurance; (B) includes personal lines of property and casualty insurance; and (C) does not include—(i) Federal crop insurance issued or reinsured under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); or (ii) private mortgage insurance, as that term is defined in section 2 of the Homeowners Protection Act of 1996 (12 U.S.C. 1401).

(12) GROUP LIFE INSURANCE.—The term “group life insurance” means an insurance contract that provides life insurance coverage for a number of persons under a single contract and that provides such coverage on the basis of a group selection of risks.

(13) SECRETARY.—The term “Secretary” means the Secretary of the Treasury.

(14) STATE.—The term “State” means any of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the seamless of the Northern Mariana Islands, American Samoa, Guam, and each of the United States Virgin Islands.

(15) United States.—The term “United States” means all States of the United States.

SEC. 4. TERRORISM INSURED LOSS SHARED COMPENSATION PROGRAM.

(a) Establishment of Program.—(1) IN GENERAL.—There is established in the Department of the Treasury the Terrorism Insured Loss Shared Compensation Program.

(b) Authority of the Secretary.—Notwithstanding any other provision of Federal or State law, the Secretary shall administer the Program, and shall pay the Federal share of compensation for insured losses in accordance with subsection (e).

(c) Conditions for Federal Payments.—No payment may be made by the Secretary under subsection (e), unless—(1) a person that suffers an insured loss, or a person acting on behalf of that person, files a claim with a participating insurance company; (2) the participating insurance company provides clear and conspicuous disclosure to the policyholder of the premium charged for insured losses covered by the Program and the Federal share of compensation for insured losses under paragraph (1); (3) the case of any policy covering an act of terrorism occurring during the period beginning on January 1, 2003, and ending at midnight on December 31, 2002—(A) in the case of any policy covering an act of terrorism occurring during the period beginning on January 1, 2003, and ending at midnight on December 31, 2002—(i) shall be equal to 80 percent of that portion of the aggregate insured losses that—(I) exceeds $3,000,000,000; and (II) does not exceed $10,000,000,000; and (ii) shall be equal to 90 percent of that portion of the aggregate insured losses that—(I) exceeds $10,000,000,000; and (II) exceeds $20,000,000,000.

(3) Extension Period.—If the Program is extended in accordance with section 6, the Federal share of compensation under the Program to be paid by the Secretary for insured losses resulting from an act of terrorism occurring during the period beginning on January 1, 2003, and ending at midnight on December 31, 2003, shall be calculated in accordance with clauses (1) and (2) of subparagraph (a), subject to the cap on liability in paragraph (2) and the limitation under paragraph (6).

(c) Pro Rata Share.—If, during the period described in subparagraph (a) or (b), the aggregate losses are less than the aggregate losses for the Program extended in accordance with section 6, the aggregate insured losses for that period shall be the aggregate insured losses in the Program extended in accordance with section 6.
insured losses exceed $100,000,000,000 during any period referred to in subparagraph (A) or (B) of paragraph (1)—

(A) the Secretary shall not make any payment or cause any portion of the amount of such losses that exceeds $100,000,000,000; and

(B) no participating insurance company shall not be liable for the payment of any portion of the amount that exceeds $100,000,000,000.

(2) NOTIFICATION OF CONGRESS.—The Secretary shall notify the Congress if estimated or actual aggregate insured losses exceed $100,000,000,000 in any period described in paragraph (1). An act of terrorism shall become final.

(3) LIMITATIONS.—The Secretary may have sole discretion to determine the time at which claims relating to any insured loss or act of terrorism shall become final.

(4) DETERMINATIONS FINAL.—Any determination of the Secretary under this subsection shall be final, and shall not be subject to judicial review.

(5) IN-FORCE REINSURANCE AGREEMENTS.—For purposes of this section, reinsurers under reinsurance contracts in force on the date of enactment of this Act, until the in-force reinsurance contract is renewed, amended, or has reached its 1-year anniversary, any Federal share of compensation due to a participating insurance company for insured losses during the effective period of the Program shall be shared—

(A) with all reinsurance companies to which the participating insurance company has ceded some share of the insured loss pursuant to an in-force reinsurance contract; and

(B) in a manner that distributes the Federal share of compensation due to the participating insurance company and the reinsurance company or companies in the same proportion as the insured losses would have been distributed if the Program did not exist.

SEC. 5. GENERAL AUTHORITY AND ADMINISTRATION OF CLAIMS.

(a) GENERAL AUTHORITY.—The Secretary shall have the powers and authorities necessary to carry out the Program, including the authority—

(1) to investigate and audit all claims under the Program; and

(2) to prescribe regulations and procedures to implement the Program.

(b) INFORMATION FOR PURPOSES OF PROGRAM.—The Secretary shall issue interim final rules or other actions necessary to carry out the Program, and includes an explanation of the status of the Federal Trade Commission on the potential effects of acts of terrorism on the insurance industry, and other experts in the insurance field, shall conduct a study of the availability of individual life insurance and other lines of insurance coverage.

(2) REPORT.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit a report to the Congress on the results of the study conducted under paragraph (1).

(b) REPORTS REGARDING TERRORISM RISK INSURANCE PREMIUMS.—

(1) REPORT TO THE NAIC.—Beginning 6 months after the date of enactment of this Act, and every 6 months thereafter, each participating insurance company shall submit a report to the NAIC that states the premium rates charged by that participating insurance company during the preceding 6-month period for insured losses covered by the Program, and includes an explanation of and justification for those rates.

(2) REPORTS FORWARD.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit a report to the Congress on the results of the study conducted under paragraph (1).

(3) AGENCY REPORTS TO CONGRESS.—

(A) IN GENERAL.—The Secretary, the Chairman of the Federal Trade Commission, and the Comptroller General of the United States shall each transmit forward copies of each report submitted under paragraph (1) to the Congress, the Secretary of Commerce, the Chairman of the Federal Trade Commission, and the Comptroller General of the United States.

(4) EVALUATION AND REPORT.—

(A) EVALUATION.—The Comptroller General of the United States shall evaluate each report submitted under paragraph (3), and in addition, the Secretary, the Chairman of the Federal Trade Commission, and the NAIC shall provide to the Comptroller General all documents, reports, and studies that the Comptroller General deems necessary to carry out such evaluation.
SA 3838. Mr. ALLEN (for himself, Mr. BURNS, Mr. WARNER, Mr. SMITH of New Hampshire, Mrs. HUTCHISON, and Mr. HARKIN) submitted an amendment intended to be proposed by him to the bill S. 2600, to provide the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

At the appropriate place, insert the following:

SEC. 9. SATISFACTION OF JUDGMENTS FROM FROZEN ASSETS OF TERRORISTS, TERRORIST ORGANIZATIONS, AND STATE SPONSORS OF TERRORISM.

(a) IN GENERAL.—Notwithstanding any other provision of law, and except as provided in subsection (b), in a case in which a person has obtained a judgment against a terrorist party on a claim based upon an act of terrorism or for which a terrorist party is subject to that party in judgments to which this subsection applies shall not be required to make the election set forth in subsection (a)(2)(C) in order to qualify for payment hereunder.

(b) APPLICABILITY.—The term ‘terrorist party’ means a terrorist, a terrorist organization, or a foreign state designated as a state sponsor of terrorism under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).

(c) DISTRIBUTION.—In making a judgment or a compensation award to a third party under this section, each party shall be calculated by the proportion that the amount of compensatory damages awarded in judgments issued as of the date referred to in subparagraph (A) bears to the total amount of compensatory damages awarded in judgments issued as of the date referred to in subparagraph (A).
SEC. 201. SHORT TITLE.

This subtitle may be cited as the ‘‘Terrorist Bombing Control Act of 2002’’.

SEC. 202. BOMBING STATUTE.

(a) OFFENSE.—Chapter 113B of title 18, United States Code, relating to terrorism, is amended by inserting after section 2332a the following:

```plaintext
2332f. Bombings of places of public use, government facilities, public transportation systems and infrastructure facilities

(1) OFFENSE.—Chapter 113B of title 18, United States Code, relating to terrorism, is amended by inserting after section 2332a the following:

(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (c).

(b) JURISDICTION.—There is jurisdiction over the offenses in subsection (a) if—

(1) the offense takes place in the United States and—

(A) the offense is committed against an state or a government of a facility of such state, including its embassy or other diplomatic or consular premises or the United States; or

(B) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(2) the offense is committed with the intent to cause death or serious bodily injury, or

(3) the offense is committed with the intent for the public, including, but not limited to, the public, such as water, sewage, energy, fuel, or communications;

(4) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(5) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(6) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(7) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(8) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(9) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(10) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(11) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(12) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(13) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(14) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(15) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(16) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(17) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(18) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(19) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(20) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act;

(21) the offense is committed with the intent to cause death or serious bodily injury, or substantial damage to property through the release, dissemination, or impact of toxic chemicals, biological agents or toxins (including products derived from biotechnology), such as, riots, isolated and sporadic acts of violence, or other acts of a similar nature; and

(22) the offense is committed in an attempt to compel another state or the United States to do or abstain from doing any act.

SECTION 203. EFFECTIVE DATE.

Section 202 shall become effective on the date it becomes law. The International Convention for the Suppression of Terrorist Bombings enters into force for the United States.

SUBTITLE B—Suppression of the Financing of Terrorism

SEC. 211. SHORT TITLE.

This subtitle may be cited as the ‘‘Suppression of the Financing of Terrorism Convention Implementation Act of 2002’’.

SEC. 212. TERRORIST ORGANIZATION STATUTE.

(a) IN GENERAL.—Chapter 113B of title 18, United States Code, is amended by adding at the end the following:

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2339C. Prohibitions against the financing of terrorism

(A) OFFENSES.—

(1) IN GENERAL.—Whoever, in a circumstance described in subsection (c), by any means, directly or indirectly, unlawfully and willfully provides or collects funds with the intention that such funds be used, or with the knowledge that such funds are to be used, in whole or in part, in order to carry out—

(A) an act which constitutes an offense within the scope of a treaty specified in subsection (e), as implemented by the United States, or

(B) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act, shall be punished as prescribed in subsection (d).

(B) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as prescribed in subsection (d).

(C) RELATIONSHIP TO Predicate ACT.—For an act to constitute an offense set forth in this subsection, it shall not be necessary that the funds were actually used to carry out a predicate act.

(D) CONCEALMENT.—

(1) IN GENERAL.—Whoever, in the United States or outside the United States, who is a national of the United States or a national of any other country, and who knowingly conceals or disguises the nature, the location, the source, or the ownership or
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control of any material support or resources provided in violation of section 2339B of this chapter, or of any funds provided or collected in violation of subsection (a) or any proceeds of such funds, shall be punished as prescribed in subsection (d)(2).

(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense described in subsection (a) shall be punished as prescribed in subsection (d)(2).

(c) JURISDICTION.—There is jurisdiction over the offenses in subsection (a) in the following instances—

(1) the offense takes place in the United States and—

(A) a perpetrator was a national of another state or a stateless person; or

(B) on board a vessel flying the flag of another state or an aircraft which is registered under the laws of another state at the time the offense is committed; or

(C) on board an aircraft which is operated by the government of another state; or

(D) a perpetrator is found outside the United States;

(2) (E) was directed toward or resulted in the carrying out of a predicate act against—

(i) a national of another state; or

(ii) a national of an international organization to do or abstain from doing any act; or

(3) (F) was directed toward or resulted in the carrying out of a predicate act committed in an attempt to compel another state or international organization to do or abstain from doing any act; or

(G) was directed toward or resulted in the carrying out of a predicate act—

(i) outside the United States; or

(ii) over the offenses in subsection (a) in the following:

(I) the International Convention for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on March 10, 1988;

(II) the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on March 10, 1988;

(III) the International Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, done at Rome on March 10, 1988;

(IV) the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on March 10, 1988; and

(V) the term ‘international organization’ includes international organizations;

(VI) the term ‘intergovernmental organization’ includes international organizations;

(VII) the term ‘international organization’ has the same meaning as in section 1116(b)(5) of this title;

(VIII) the term ‘armed conflict’ does not include internal disturbances and tensions, such as riots, isolated and sporadic acts of violence, and other acts of a similar nature;

(ix) the term ‘serious bodily injury’ has the same meaning as in section 1153(g)(3) of this title;

(x) the term ‘national of the United States’ has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)); and

(xi) the term ‘stateless person’ has the same meaning as that term has under international law, and includes all political subdivisions thereof.

(3) (f) CIVIL PENALTY.—In addition to any other criminal, civil, or administrative liability, any entity located within the United States or organized under the laws of the United States, including any of the laws of its States, districts, commonwealths, territories, or possessions, shall be liable to the United States for the sum of at least $10,000, if a person responsible for the management or control of that legal entity has, in that capacity, committed an offense set forth in subsection (a)."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 113B of title 18, United States Code, is amended by adding at the end the following:

"2339C. Prohibitions against the financing of terrorism."

(c) DISCLAIMER.—Nothing contained in this section is intended to affect the scope or applicability of any other Federal or State law.

SEC. 213. EFFECTIVE DATE.

Except for sections 2336c(l)(1)(D) and (2)(B) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of the Financing of Terrorism enters into force for the United States, and for the provisions of section 2336c(e)(7)(A) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of Terrorist Bombing enters into force for the United States, section 212 of this title shall take effect upon the date of enactment of this Act.

Subtitle C—Ancillary Measures

SEC. 221. ANCILLARY MEASURES.

(a) WIRETAP.—PROHIBITIONS.—Section 2516(1)(c) of title 18, United States Code, is amended by—

(1) inserting ‘‘2332f, after ‘‘2332a, ‘‘ and

(2) striking ‘‘2332b and inserting ‘‘2332h, or 2339C’’.

(b) FEDERAL CRIME OF TERRORISM.—Section 2332g(5)(B) of title 18, United States Code, is amended by—

(1) inserting ‘‘2332f relating to bombing of public places and facilities,’’ after ‘‘2332b relating to acts of terrorism transcending national boundaries,’’ and

(2) inserting ‘‘2339C relating to financing of terrorism,’’ before ‘‘or 2340A relating to torture’’.

(c) PROVIDING MATERIAL SUPPORT TO TERRORISTS PREDICATE.—Section 2339A of title 18, United States Code, is amended by inserting ‘‘2332f, before ‘‘or 2334A, ‘‘ and

(d) Aiding and Abetting.—Section 2332g of title 18, United States Code, is amended by—

(1) replacing ‘‘abetting an offense,’’ with ‘‘aiding or abetting an offense,’’ and

(2) striking ‘‘2332b, or 2339A’’.

SEC. 213. EFFECTIVE DATE.

(a) WIRETAP.—PROHIBITION.—Section 2516(1)(c) of title 18, United States Code, is amended by—

(1) adding at the end the following:

"(1) inserting ‘‘2332f (relating to bombing of public places and facilities),’’ after ‘‘2332b (relating to acts of terrorism transcending national boundaries),’’ and

(2) inserting ‘‘2339C (relating to financing of terrorism),’’ before ‘‘or 2340A (relating to torture).’’

(b) PROVIDING MATERIAL SUPPORT TO TERRORISTS PREDICATE.—Section 2339A of title 18, United States Code, is amended by inserting ‘‘2332f, before ‘‘or 2334A, ‘‘ and

(c) Aiding and Abetting.—Section 2332g of title 18, United States Code, is amended by—

(1) replacing ‘‘abetting an offense,’’ with ‘‘aiding or abetting an offense,’’ and

(2) striking ‘‘2332b, or 2339A’’.

SEC. SEPARATE ACCOUNT REQUIRED.

If a participating insurance company increases annual premium rates on covered risks, the company—

(a) shall provide the amounts of the increase in premium in a separate, segregated account;
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CONGRESSIONAL RECORD — SENATE  

June 13, 2002

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insurers for losses due to acts of terrorism.

SA 3841. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, which was ordered to lie on the table; as follows:

Strike out all after the enacting clause and insert the following:

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:

1. Short title; table of contents.
2. Findings.
3. Purpose.
5. Fund operations.
6. Coverage provided.
7. Secretary to determine if loss is attributable to terrorism.
8. Mandatory coverage by property and casualty insurers for acts of terrorism.
10. Credit for reinsurance.
11. Administrative provisions.
12. Insolvability of certain laws.
13. Sunset provision.

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 of life of any event in United States history.

(2) The magnitude of the loss, and its impact on the current capacity of the reinsurance market, threaten the stability 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 by property and casualty insurers of the peril for losses due to acts of terrorism by providing additional reinsurance capacity for loss 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 additional reinsurance to participating insurers for losses due to acts of terrorism.

(b) ADVISORY COMMITTEE; MEMBERSHIP.—There is established an advisory committee to provide assistance to the Secretary in carrying out the program of reinsurance established by the Secretary. The advisory committee shall consist of 18 members, to be as follows:

(1) 3 representatives of the property and casualty insurance industry, appointed by the Secretary.

(2) A representative of property and casualty insurance agents, 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 the Treasury, designated by the Secretary of the Treasury.

(c) ADDITIONAL CREDIT RISK PREMIUM.—If the Secretary determines that a participating insurer has a credit rating that is lower than the second from highest credit rating awarded by nationally recognized credit rating agencies, the Secretary may charge an additional credit risk premium, of up to 0.5 percent of gross direct written premiums for covered lines received by that insurer.

SEC. 5. FUND OPERATIONS.

(a) FUNDING BY PREMIUM.—

(1) IN GENERAL.—For the year beginning January 1, 2002, and each subsequent year of operation, participating insurers shall pay into the Fund an annual reinsurance contribution of not less than 2 percent of their respective gross direct written premiums for covered lines for the calendar year. The annual premium shall be paid in installments at the beginning of each calendar quarter. The reinsurance contract premium and any annual assessment may be recovered by a participating insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

(2) ADDITIONAL CREDIT RISK PREMIUM.—If the Secretary determines that a participating insurer has a credit rating that is lower than the second from highest credit rating awarded by nationally recognized credit rating agencies, the Secretary may charge an additional credit risk premium, of up to 0.5 percent of gross direct written premiums for covered lines received by that insurer.

(b) INITIAL CAPITAL.—

(1) LOAN.—The Fund shall have an initial capital of $2,000,000,000, and the Secretary shall borrow from the Treasury of the United States. Upon application by the Secretary, the Secretary of the Treasury shall transfer the amount to the Fund in the Treasury not otherwise appropriated, at standard market rates.

(2) REPAYMENT OF START-UP LOAN.—The Secretary shall use premiums received from assessments in calendar year 2002 to repay the loan provided to the Fund under paragraph (1).

(c) SHORTFALL LOANS.—

(1) IN GENERAL.—If the Secretary determines that the balance in the accounts of the Fund is insufficient to cover anticipated claims, the Secretary shall make available adequate reserves for any other reason, after taking into account premiums assessed under subsection (a) and any other amounts receivable, the Secretary shall borrow from the Treasury an amount sufficient to provide a uniform additional credit risk premium, of up to 0.5 percent of gross direct written premiums for covered lines received by that insurer.

(2) INTEREST RATE.—The rate of interest on any loan made to the Fund under paragraph (1) shall be the rate of interest on the Federal Reserve discount loan, less 0.5 percentage points.

(3) $50 BILLION LOAN LIMIT.—Notwithstanding any other provision of this Act, the Secretary shall not make a loan to the Fund under paragraph (1) if the amount of the loan would exceed the amount by which $50,000,000,000 exceeds the Fund’s assets.

(4) REPAYMENT OF LOANS BY ASSESSMENT.—Any loan made under paragraph (1) shall be repaid from reserves of the Fund, assessments of participating insurers, or a combination thereof. If an assessment is necessary, the Secretary shall determine an annual assessment under this subsection shall be not more than 3 percent of the direct written premium for covered lines. The reinsurance contract premium and any annual assessment collected by a participating insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

SEC. 6. COVERAGE PROVIDED.

(a) IN GENERAL.—The Secretary shall provide reinsurance for losses resulting from acts of terrorism covered by reinsurance contracts

(1) shall identify the portion of the premium insuring against terrorism risk on a separate line item on the policy; and

(2) may not disburse any funds from amounts in that separate, segregated account for any purpose other than the payment of losses from acts of terrorism.
entered into between the Fund and participating insurers that write covered lines of insurance within the meaning of section 14(5)(A) or that have elected, under section 14(5)(B), in good faith to voluntarily include another line of insurance.

(b) RETENTION.—The Fund shall reimburse participating insurers for losses resulting from acts of terrorism on direct losses in any calendar year in excess of 10 percent of a participating insurer’s average gross direct written premiums and policyholders’ surplus for covered lines for the most recently ended calendar year for which data are available, based on each participating insurer’s annual statement for that calendar year as reported to NAIC.

(c) REIMBURSEMENT AMOUNT.—If a participating insurer demonstrates to the satisfaction of the Secretary that it has paid claims for losses resulting from acts of terrorism equal to or in excess of the amount of retention required by subsection (b), then the Fund shall reimburse the participating insurer for—

(1) 90 percent of its covered losses in calendar year 2002; and
(2) a percentage of its covered losses in calendar years beginning after calendar year 2002 equal to—

(A) 90 percent if the insurer pays an assessment equal to 4 percent of the insurer’s average gross direct written premiums and policyholders’ surplus for the most recently ended calendar year;
(B) 80 percent if the insurer pays as assessment equal to 3 percent of the insurer’s average gross direct written premiums and policyholders’ surplus for the most recently calendar year; and
(C) 70 percent if the insurer pays an assessment equal to 2 percent of the insurer’s average gross direct written premiums and policyholders’ surplus for the most recently ended calendar year;

(d) $50,000,000,000 LIMIT.—Except as provided in subsection (e), the Fund may not reimburse participating insurers for covered losses in excess of a total Fund reimbursement amount for all participating insurers of $50,000,000,000.

(e) LOSSES EXCEEDING $50,000,000,000 LIMIT.—If the Secretary determines that reimbursable losses in a calendar year from an event exceed $50,000,000,000, the Secretary—

(1) shall notify the Congress of its determination and transmit to the Congress recommendations for responding to the insufficiency of available amounts to cover reimbursements; and
(2) shall notify the Congress of its determination and transmit to the Congress recommendations for responding to the insufficiency of available amounts to cover reimbursements.

(f) REPORTS TO STATE REGULATOR; CERTIFICATION.—

(1) REPORTING TERRORISM COVERAGE.—A participating insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and
(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) REPORTS TO SECRETARY.—The State regulatory authority shall forward a copy of the certification received under paragraph (1) to the Secretary.

SEC. 7. SECRETARY TO DETERMINE IF LOSS IS CAUSED BY TERRORISM.

(a) INITIAL DETERMINATION.—If a participating insurer files a claim for reimbursable loss from the Fund, the Secretary shall make an initial determination as to whether the losses or expected losses were caused by an act of terrorism.

(b) NOTICE AND HEARING.—The Secretary shall give public notice of the initial determination and afford all interested parties an opportunity to be heard on the question of whether the losses or expected losses were caused by an act of terrorism.

(c) FINAL DETERMINATION.—Within 30 days after the Secretary’s initial determination, the Secretary shall make a final determination as to whether the losses or expected losses were caused by an act of terrorism.

(d) APPEALS.—The Secretary’s determination shall be upheld upon judicial review if based upon substantial evidence.

SEC. 8. MANDATORY COVERAGE BY PROPERTY AND CASUALTY INSURERS FOR ACTS OF TERRORISM.

(a) IN GENERAL.—An insurer that provides lines of coverage described in section 14(5)(A) or 14(5)(B) may not—

(1) exclude or limit coverage in those lines for losses from acts of terrorism in the United States, its territories, and possessions in property and casualty insurance policy forms; or
(2) deny or cancel coverage solely due to the risk of losses from acts of terrorism in the United States.

(b) TERMS AND CONDITIONS.—Insurance against losses from acts of terrorism in the United States shall be covered with the same deductibles, limitations, exclusions, and conditions as the standard provisions of the policy for non-catastrophic perils.

(c) PASS-THROUGHS AND OTHER RATE INCREASES.

(1) LIMITATION ON RATE INCREASES FOR COVERED RISKS.—Except as provided in subsection (b), an insurer that provides lines of coverage described in section 14(5)(A) or 14(5)(B) may not increase annual rates on covered risks during any period in which the insurer participates in the Fund by a percent in excess of the sum of—

(A) the percent used to determine the insurer’s assessment under section 5(b)(1); and
(B) if there is an assessment against the insurer under section 5(c)(4), a percent equivalent to the percent assessment of the insurer’s gross direct written premium for covered lines.

(2) TERRORISM-RELATED INCREASES IN EXCESS OF PASS-THROUGHS.—

(1) REPORTS BY INSURERS.—Not less than 30 days before the 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 a report with the State insurance regulatory authority for the State in which the premium increase is effective that—

(A) explains the need for the increased premium; and
(B) identifies the portion of the increase properly attributable to risk associated with insurance offered by that insurer against losses due to acts of terrorism; and
(C) demonstrates, by substantial evidence, why that portion of the increase is warranted.

(2) REPORTS BY STATE REGULATORS.—Within 15 days after a State insurance regulatory authority receives a report from an insurer required by paragraph (1), the authority—

(A) shall transmit a copy of the report to the Secretary; and
(B) may include a determination with respect to whether an insurer has met the requirements established under this Act; and
(C) may include with the report any commentary or analysis it deems appropriate.

SEC. 9. CATASTROPHIC PERILS AND OTHER RATE INCREASES.

(d) REPORTS TO STATE REGULATOR; CERTIFICATION.—

(1) REPORTS BY INSURERS.—Not less than 30 days before the participating insurer increases the premium rate for insurance on any covered line of insurance described in section 14(5)(A) or 14(5)(B) may not—

(1) unreasonable; and
(2) attributable to insurance for losses from acts of terrorism.

SEC. 12. INAPPLICABILITY OF CERTAIN LAWS.

(a) IN GENERAL.—State laws relating to insurance rates, insurance policy forms, insurance rates on any covered lines of insurance described in section 14(5)(A) or 14(5)(B), insurer financial requirements, and insurer licensing do not apply to contracts entered into by the Fund. The Fund is not subject to State tax and is exempt from Federal income tax, and all fees, assessments, and collections do not apply to contracts entered into by the Fund. The Fund is not subject to local, State, or Federal tax.

(2) IMPOSITION OF FEDERAL REGULATION ON INSURANCE CONTRACT PREMIUMS PAID TO AN INSURER.—The provisions of this Act 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. 11. SUNSET PROVISION.

(a) Assessment and Collection of Premiums.—The Secretary shall continue to assess and collect the premiums and assessments charged by the Federal Insurance Agency under section 3551 of title 18, United States Code.

(b) Provision of Reinsurance.—The Secretary shall pay the premiums and assessments collected under section 3551 of title 18, United States Code, to the Treasury of the United States.

(c) Nonapplicability of Local, State, or Federal Taxes.—Nothing in this Act supersedes or preempts a State law that prohibits unfair methods of competition in commerce, unfair or deceptive acts or practices in commerce, or unfair insurance claims practices.

SEC. 12. DEFINITIONS.

SEC. 13. AVAILABILITY.—The Secretary shall review the cost and availability of private reinsurance for new contract years at any time before that date if the Secretary determines that the reinsurance market conditions are no longer needed for covered lines due to market conditions.

(b) Provision of Reinsurance.—The Secretary shall pay the premiums and assessments collected under section 3551 of title 18, United States Code, to the Treasury of the United States.

(c) Nonapplicability of Local, State, or Federal Taxes.—Nothing in this Act supersedes or preempts a State law that prohibits unfair methods of competition in commerce, unfair or deceptive acts or practices in commerce, or unfair insurance claims practices.

(d) DISSOLUTION OF FUND.—

(1)TAXATION AND DISTRIBUTION .—No tax shall be levied or distributed against the Fund assets remaining after the final and not subject to judicial review.

(2) FUNDING.—The term ‘‘Funding’’ means an entity writing covered lines on a direct basis a covered line or lines of insurance in any jurisdiction of the United States, its territories, or possessions, including residual market insurers.

(3) COVERED LINE.—

(A) I N GENERAL.—The term ‘‘covered line’’ means a line or combination of the following, written on a direct basis, as reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank:

(1) Fire.
(2) Allied lines.
(3) Commercial multiple peril.
(4) Ocean marine.
(5) Inland marine.
(6) Workers compensation.
(7) Products liability.
(8) Financial guaranty.
(9) Mortgage guaranty.
(10) Farmowners multiple peril.
(11) Homeowners multiple peril.
(12) Boiler and machinery.
(13) 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 a participating insurer to be included in its reinsurance contract with the Fund.

(3) ELECTION.—The election to voluntarily include another line of insurance, if made, must apply to all affiliated insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(6) LOSSES.—The term ‘‘losses’’ means direct incurred losses from an act of terrorism for covered lines of insurance 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 for the loss has been paid within 12 months after the terrorism event occurs and other loss adjustment expenses have been incurred.

(7) COVERED LOSSES.—The term ‘‘covered losses’’ means direct losses in excess of the participating insurer’s retention.

(8) TERRORISM; ACT OF TERRORISM.—

(A) I N GENERAL.—The terms ‘‘terrorism’’ and ‘‘act of terrorism’’ means any act, certified by the Secretary of State and the Attorney General, as a violent act or act dangerous to human life, property or infrastructure, with the intent to cause death or serious bodily injury, or to intimidate or coerce the civilian population of the United States or to influence the policy or affect the conduct 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) FINALITY OF CERTIFICATION.—Any certification of terrorism or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

(9) INSURER.—

(A) I N GENERAL.—The term ‘‘insurer’’ means an entity writing covered lines on a direct basis a covered line or lines of insurance in any jurisdiction of the United States, its territories, or possessions, including residual market insurers.

(B) VOLUNTARY PARTICIPATION.—A State workers’ compensation, auto, or property insurance Fund may voluntarily participate as an insurer.

(10) 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.

(11) GOVERNMENT FACILITIES.—The term ‘‘government facilities’’ means an entity writing covered lines on a direct basis a covered line or lines of insurance in any jurisdiction of the United States, its territories, or possessions, including residual market insurers.

(12) LINE OF BUSINESS.—The term ‘‘line of business’’ means the Secretary of Commerce.

(13) OFFENSIVE nieuws.—

(a) OFFENSES.—

(1) In General.—Whoever unlawfully delivers, places, discharges, or detonates an explosive or other destructive device, into, or against a place of public use, a state or government facility, a public transportation system, or an infrastructure facility, with the intent to cause death or serious bodily injury, or

(B) with the intent to cause extensive destruction of such a place, facility, or system, where such destruction results in or is likely to result in major economic loss, shall be punished as prescribed in subsection (c).

(c) Offenses.—

(1) For each offense under subsection (a), a fine of up to $25,000,000,000 and/or imprisonment for up to 20 years, and a term of supervised release of up to 5 years.

(2) ATTEMPTS AND CONSPIRACIES.—Whoever attempts or conspires to commit an offense under paragraph (1) shall be punished as provided in subsection (c).

(3) IN GENERAL.—The term ‘‘offense’’ includes an attempt or conspiracy to commit an offense under subsection (a).
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SEC. 212. TERRORISM FINANCING STATUTE.

(a) Offense Defined.—Whoever, in furtherance of, or in an attempt to carry out, a terrorist attack or a conspiracy to carry out a terrorist attack, uses or conspires to use, or attempts to use, or conspires to attempt to use, any property or thing received by way of transfer, purchase, donation, lease, investment, or otherwise, or any interest in any such property, on or in or to which such a property or thing is a part, with the knowledge that such property or thing is to be used, or is intended to be used, directly or indirectly, in the commission of, or to facilitate any act of international terrorism, or in aid of, or to further, any international terrorist group or organization, shall be punished as provided in subsection (d)(2).

(b) Exceptions.—This section shall not apply to—

(1) any government or any governmental agency, any government facility, or an embassy or other diplomatic or consular premises of the United States;

(2) any vessel flying the flag of the United States or any aircraft which is registered under the laws of the United States or which is operated by a governmental agency or entity or by employees of a state or any other state or a stateless person;

(3) any activity undertaken by military forces of a state in the exercise of their official duties; or

(4) any offense committed by a vessel flying the flag of the United States or any aircraft which is registered under the laws of the United States where jurisdiction is predicated solely on the nationality of the vessel or the aircraft and the offense has no substantial effect on interstate or foreign commerce.

(c) Definitions.—As used in this section—the term—

(1) ‘serious bodily injury’ has the meaning given that term in section 1118(g)(3) of this title;

(2) ‘national of the United States’ has the meaning given that term in sections 101(a)(22) of this title and 8 U.S.C. 1101(a)(22);

(3) ‘state or government facility’ includes any permanent or temporary facility or conveyance that is used or occupied by representatives of a state, members of Government, the legislature or the judiciary or by officials or employees of a state or any other public authority or by employees of such officials or employees of an intergovernmental organization in connection with their official duties;

(4) ‘intergovernmental organization’ includes international organization (as defined in section 1116(b)(5) of this title);

(5) ‘infrastructure facility’ means any public or privately owned facility or place, or any service or benefit the public or any other person or group may use or obtain that is owned, leased, or used by the United States or by any department or agency of the United States, and which is used, in full or in part, in order to carry out of a predicate act against—

(A) the United States or a state or government facility of the United States; or

(B) a stateless person;

(6) ‘aircraft’ means any vessel flying the flag of the United States or any aircraft which is registered under the laws of the United States or is a stateless person whose habitual residence is in the United States;

(7) ‘vessel’ includes every vehicle used or operated on water, in air, or on land, and whenever the word ‘vessel’ is used in the laws administered by the Department of Transportation, means every vessel on the high seas or on the waters of any State or the territorial sea of any State or political subdivision thereof.

(d) Exemptions.—This subsection shall not apply to—

(1) a state or a federal facility or a vessel flying the flag of the United States, or an aircraft which is registered under the laws of the United States, if jurisdiction is predicated solely on the nationality of the vessel or the aircraft and the offense has no substantial effect on interstate or foreign commerce.

(2) a stateless person;

(3) any activity undertaken by armed forces of a state during an armed conflict, as those terms are understood under the law of war, which are governed by that law.

(e) Penalties.—Whoever violates this section shall be imprisoned for not more than 30 years, or fined not more than $1,000,000, or both.

(f) Civil Actions.—Any person who suffers an injury caused by the violation of this section may bring a civil action against the alleged offender, as provided in section 1365 of title 28, United States Code.

(g) Venue.—Any civil action brought under this section must be brought in a judicial district in which the violation occurred or in which the alleged offender resides or was employed at the time the violation occurred.

(h) Validity.—Nothing in this section shall bar any other action or proceeding by any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, to induce another state or an international organization to do or abstain from doing any act, or to deprive a party to an armed conflict of the benefits of international law.

(i) Waiver.—Nothing in this section shall be construed to limit the waiver of sovereign immunity by the United States with respect to any action or proceeding brought under this section.

(j) Effective Date.—Section 212 shall become effective on the date that the International Convention for the Suppression of Terrorist Bombings comes into force for the United States.

Subtitle B—Suppression of the Financing of Terrorism

SEC. 221. TERRORISM FINANCING STATUTE.

(a) Offense Defined.—Whoever, in furtherance of, or in an attempt to carry out, a terrorist attack or a conspiracy to carry out a terrorist attack, uses or conspires to use, or attempts to use, or conspires to attempt to use, any property or thing received by way of transfer, purchase, donation, lease, investment, or otherwise, or any interest in any such property, on or in or to which such a property or thing is a part, with the knowledge that such funds are to be used, or is intended to be used, directly or indirectly, in the commission of, or to facilitate any act of international terrorism, or in aid of, or to further, any international terrorist group or organization, shall be punished as provided in subsection (d)(2).

(b) Exception.—This subsection shall not apply to—

(1) a state or a federal facility or a vessel flying the flag of the United States, or an aircraft which is registered under the laws of the United States, if jurisdiction is predicated solely on the nationality of the vessel or the aircraft and the offense has no substantial effect on interstate or foreign commerce.

(2) a stateless person;

(3) any activity undertaken by armed forces of a state during an armed conflict, as those terms are understood under the law of war, which are governed by that law.

(4) a state or a federal facility or a vessel flying the flag of the United States, or an aircraft which is registered under the laws of the United States, if jurisdiction is predicated solely on the nationality of the vessel or the aircraft and the offense has no substantial effect on interstate or foreign commerce.

(c) Penalties.—Whoever violates this section shall be imprisoned for not more than 30 years, or fined not more than $1,000,000, or both.

(d) Civil Actions.—Any person who suffers an injury caused by the violation of this section may bring a civil action against the alleged offender, as provided in section 1365 of title 28, United States Code.

(e) Venue.—Any civil action brought under this section must be brought in a judicial district in which the violation occurred or in which the alleged offender resides or was employed at the time the violation occurred.

(f) Validity.—Nothing in this section shall bar any other action or proceeding by any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, to induce another state or an international organization to do or abstain from doing any act, or to deprive a party to an armed conflict of the benefits of international law.

(g) Waiver.—Nothing in this section shall be construed to limit the waiver of sovereign immunity by the United States with respect to any action or proceeding brought under this section.

(h) Effective Date.—Section 221 shall become effective on the date that the International Convention for the Suppression of Terrorist Bombings comes into force for the United States.
time Navigation, done at Rome on March 10, 1988; 
(II) the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on March 10, 1988; or 
(III) the International Convention for the Suppression of Terrorist Bombings, adopted by the General Assembly of the United Nations on December 15, 1997;

(8) the term ‘intergovernmental organization’ includes international organizations;

(9) the phrase ‘the continued criminal activity’ has the same meaning as in section 950(a)(3) of this title;

(10) the term ‘armed conflict’ does not include situations of tension, such as riots, isolated and sporadic acts of violence, and other acts of a similar nature;

(11) the term ‘serious bodily injury’ has the same meaning as in section 1531(a)(3) of this title;

(12) the term ‘national of the United States’ has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22));

(13) the term ‘state’ has the same meaning as that term has under international law, and includes all political subdivisions thereof.

(f) CIVIL PENALTY.—In addition to any other criminal, civil, or administrative liability or penalty, any legal entity located within the United States or organized under the laws of the United States, including any entity organized under the laws of its States, districts, commonwealths, territories, or possessions, shall be liable to the United States for the sum of at least $10,000, if a person responsible for the management of that legal entity has, in that capacity, committed an offense set forth in subsection (a)."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 118 of title 18, United States Code, is amended by adding at the end the following:

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2339C. Prohibitions against the financing of terrorism.
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(c) DISCLAIMER.—Nothing contained in this section is intended to affect the scope or applicability of any other Federal or State law.

SEC. 213. EFFECTIVE DATE.

Except for sections 2339C(c)(1)(D) and (2)(B) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of Financing of Terrorism enters into force for the United States, section 212 of this title shall take effect upon the date of enactment of this Act.

Subtitle C—Ancillary Measures

SEC. 221. ANCILLARY MEASURES.

(a) WIRETAP PREDICATES.—Section 2516(c)(1)(D) and (2) of title 18, United States Code, shall become effective on the date that the International Convention for the Suppression of Financing of Terrorism enters into force for the United States, and for the provisions of section 2339C(e)(7)(I) of title 18, United States Code, which shall become effective on the date that the International Convention for the Suppression of Terrorist Bombing enters into force for the United States, section 212 of this subtitle shall take effect upon the date of enactment of this Act.

(b) UNPATENTABILITY OF HUMAN ORGANISMS.

Section 101 of title 35, United States Code, is amended—

(1) by inserting ‘‘(a) IN GENERAL.—’’ before subsection (a); and

(2) by adding at the end the following:

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(b) UNPATENTABILITY OF HUMAN ORGANISMS.—

(1) DEFINITION.—In this subsection, the term ‘human cloning’ means human asexual reproduction, accomplished by introducing nuclear material from one or more human oocytes into a fertilized or unfertilized oocyte whose nuclear material has been removed or inactivated so as to produce a living organism (at any stage of development) that is genetically virtually identical to an existing or previously existing human organism.

(2) UNPATENTABILITY.—A patent may not be obtained for—

(A) an organism of the human species at any stage of development produced by any method, whether in vitro or in vivo, including the zygote, embryo, fetus, child or adult;

(B) a living organism made by human cloning;

(C) a process of human cloning.
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SA 3844. Mr. ENSIGN proposed an amendment to an amendment to SA 3843 proposed by Mr. BROWNBACK to the bill (S. 2600) to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

At the appropriate place add the following:

SEC. . UNPATENTABILITY OF HUMAN ORGANISMS.

Section 101 of title 35, United States Code, is amended—

(1) by inserting ‘‘(a) IN GENERAL.—’’ before ‘‘Whoever’’; and

(2) by adding at the end the following:

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(b) UNPATENTABILITY OF HUMAN ORGANISMS.—

(1) DEFINITION.—In this subsection, the term ‘human cloning’ means human asexual reproduction, accomplished by introducing nuclear material from one or more human oocytes into a fertilized or unfertilized oocyte whose nuclear material has been removed or inactivated so as to produce a living organism (at any stage of development) that is genetically virtually identical to an existing or previously existing human organism.

(2) UNPATENTABILITY.—A patent may not be obtained for—

(A) an organism of the human species at any stage of development produced by any method, whether in vitro or in vivo, including the zygote, embryo, fetus, child or adult;

(B) a living organism made by human cloning;

(C) a process of human cloning.
```

Mr. BROWNBACK proposed an amendment to the amendment to S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; as follows:

At the appropriate place add the following:

SEC. . UNPATENTABILITY OF HUMAN ORGANISMS.

Section 101 of title 35, United States Code, is amended—

(1) by inserting ‘‘(a) IN GENERAL.—’’ before ‘‘Whoever’’; and

(2) by adding at the end the following:

```
(b) UNPATENTABILITY OF HUMAN ORGANISMS.—

(1) DEFINITION.—In this subsection, the term ‘human cloning’ means human asexual reproduction, accomplished by introducing nuclear material from one or more human oocytes into a fertilized or unfertilized oocyte whose nuclear material has been removed or inactivated so as to produce a living organism (at any stage of development) that is genetically virtually identical to an existing or previously existing human organism.

(2) UNPATENTABILITY.—A patent may not be obtained for—

(A) an organism of the human species at any stage of development produced by any method, whether in vitro or in vivo, including the zygote, embryo, fetus, child or adult;

(B) a living organism made by human cloning;

(C) a process of human cloning.
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June 13, 2002
SA 3845. Mr. REID (for Mrs. FEIN-STEIN) proposed an amendment to the bill S. 672, to amend the Immigration and Nationality Act to provide for the continued classification of certain aliens as children for purposes of that Act in cases where the aliens “age out” while awaiting immigration processing, and for other purposes; as follows: On page 9, line 9, strike “(a)(4)” and insert “(a)(2)(A)”.

On page 10, line 9, strike “209(b)(2)” and insert “209(b)(3)”.

SA 3846. Mr. REID (for Mrs. FEIN-STEIN) proposed an amendment to the bill H.R. 1209, to amend the Immigration and Nationality Act to determine whether an alien is a child, for purposes of classification as an immediate relative, based on the age of the alien on the date the classification petition with respect to the alien is filed, and for other purposes; as follows: On page 7, line 9, strike “(a)(4)” and insert “(a)(2)(A)”.

On page 8, line 9, strike “209(b)(2)” and insert “209(b)(3)”.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. DODD. Madam President, I ask unanimous consent that the Committee on Finance be authorized to meet in open executive session during the session of the Senate on Thursday, June 13, 2002, at 10 a.m.

Agenda: H.R. 7: Community Solutions Act.
S. 2119: Reversing the Expatriation of Profits Offshore Act.
The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Madam President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 13, 2002 at 10:00 a.m. to hold a hearing on the CEDAW Treaty.

Agenda: Witnesses

Panel I: The Honorable Carolyn B. Maloney (D-NY), U.S. House of Representatives, Washington, DC; the Honorable Juanita Millender-McDonald (D-CA), U.S. House of Representatives, Washington, DC; the Honorable Constance A. Morella (R-MD), U.S. House of Representatives, Washington, DC; and the Honorable Lynn C. Woolsey (D-CA), U.S. House of Representatives, Washington, DC.

Panel II: The Honorable Harold Hongju Koh, Professor, Yale Law School, Former Assistant Secretary of State for Human Rights, New Haven, CT; the Honorable Juliette C. McLennan, Former U.S. Representative to the UN Commission on the Status of Women, Easton, MD; Ms. Jane E. Smith, Chief Executive Officer, Business and Professional Women/USA, Washington, DC; Ms. Kathryn Ogden Balmforth, Member, Firm of Wood Crapo, L.L.C., Salt Lake City, Utah, Former Director, World Family Policy Centers, Brigham Young University, Provo, Utah; Ms. Jean Kirkpatrick, Senior Fellow & Director of Foreign and Defense Policy Studies, American Enterprise Institute, Former Permanent Representative to the United Nations, Washington, DC; Dr. Christina Hoff Sommers, Resident Scholar, American Enterprise Institute, Chevy Chase, MD.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. DODD. Madam President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on Implementation of Reading First and Reading Programs and Strategies during the session of the Senate on Thursday, June 13, 2002 at 10:00 a.m. in SD-429.
The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DODD. Madam President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, June 13, 2002, at 10:00 a.m. in Dirksen Room 226.

TENTATIVE AGENDA

I. NOMINATIONS

Henry E. Autrey to be a U.S. District Court Judge for the Eastern District of Missouri; Richard E. Dorr to be a U.S. District Court Judge for the Western District of Missouri; David Godsey to be a U.S. District Court Judge for the Northern District of Texas; Henry Hudson to be a U.S. District Court Judge for the Eastern District of Virginia; Timothy Savage to be a U.S. District Court Judge for the Eastern District of Pennsylvania; and Amy J. St. Eve to be a U.S. District Court Judge for the Northern District of Illinois.


II. BILLS

S. 1586, The Safe Explosives Act [Kohl/Hatch/Schumer/Cantwell]
S. 1291, Relief, and Education for Alien Minors Act [Hatch/Smith]
H.R. 3375, Terrorism Victim’s Access to Compensation Act of 2002 [Harkin/Allen]
H.R. 3375, Embassy Employee Compensation Act [Blunt]

III. RESOLUTIONS

S. Con. Res. 104, A concurrent resolution recognizing the American Society of Civil Engineers on the occasion of the 150th anniversary of its founding and for the many vital contributions of civil engineers to the quality of life of the people of the United States, including the research and development projects that have led to the physical infrastructure of modern America [Jeffords/Smith]
H. Con. Res. 387, Recognizing the American Society of Civil Engineers for reaching its 150th Anniversary and for the many vital contributions of civil engineers to the quality of life of our Nation’s people including the research and development projects that have led to the physical infrastructure of modern America [Barton/Moore]
S5558

CONGRESSIONAL RECORD — SENATE
June 13, 2002

SELECT COMMITTEE ON INTELLIGENCE

Mr. DODD. Madam President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 13, 2002 at 2:30 p.m. to hold a closed business meeting.

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

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. DODD. Madam President, I ask unanimous consent that the Subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, June 13, 2002 at 10:00 a.m. to conduct an oversight hearing on “TEA-21: A National Partnership.”

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

PRIVILEGES OF THE FLOOR

Mr. DODD. Madam President, I ask unanimous consent that Jessica Byrnes be granted floor privileges for the duration of the debate on S. 2600.

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

Mr. WELLSTONE. Madam President, I ask unanimous consent that Amy Hertel be allowed to be on the floor of the Senate for the duration of the debate on this bill.

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

Mr. HATCH. Madam President, I ask unanimous consent that privilege of the floor be granted to Bruce Artim for the remainder of this session.

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

CHILD STATUS PROTECTION ACT

Mr. Reid. Madam President, I ask unanimous consent that the Senate now proceed to Calendar No. 374, S. 672.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 672) to amend the Immigration and Nationality Act to provide for the continued classification of certain aliens as children for purposes of that Act in cases where the aliens “age-out” while awaiting immigration processing, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment. (Strike out all after the enacting clause and insert the part printed in italic.)

SECTION 1. SHORT TITLE.

This Act may be cited as the “Child Status Protection Act.”

SEC. 2. USE OF AGE ON PETITION FILING DATE, PARENT’S NATURALIZATION DATE, OR MARRIAGE TERMINATION DATE, IN DETERMINING STATUS AS IMMEDIATE RELATIVE.

Section 201 of the Immigration and Nationality Act (8 U.S.C. 1151) is amended by adding at the end the following:

“(f) Rules for Determining Whether Certain Aliens are Immediate Relatives.—

“(1) Age on Filing Petition Date.—Except as provided in paragraphs (2) and (3), for purposes of subsection (b)(2)(A)(ii), a determination of whether an alien satisfies the age requirement in the matter preceding subparagraph (A) of section 101(b)(1) shall be made using the age of the alien on the date on which the petition is filed with the Secretary.

“(2) Age on Parent’s Naturalization Date.—In the case of a petition initially filed for an alien’s classification as a family-sponsored immigrant under section 203(a)(2)(A), based on the alien’s having achieved lawful permanent residence, which is later converted, due to the naturalization of the parent, to a petition to classify the alien as an immediate relative under subsection (b)(2)(A)(i), the determination described in paragraph (1) shall be made using the age of the alien on the date of the parent’s naturalization.

“(3) Age on Marriage Termination Date.—In the case of a petition under section 204 initially filed for an alien’s classification as a family-sponsored immigrant under section 203(a)(3), based on the alien’s being a married son or daughter of a citizen who is later naturalized, if the petition is later converted, due to the legal termination of the marriage, to a petition to classify the alien as an immediate relative under subsection (b)(2)(A)(i), the age requirement in the matter preceding subparagraph (A) of section 101(b)(1) shall be made using—

“(A) the age of the alien on the date on which an immigrant visa number becomes available for such alien (or, in the case of subsection (d), the date on which an immigrant visa number becomes available for the alien’s parent), but only if the alien has sought to acquire the status of an alien lawfully admitted for permanent residence within one year of such availability; reduced by

“(B) the number of days in the period during which the applicable petition described in paragraph (2) was pending.

“(2) Petitions Described.—The petition described in this paragraph is—

“(A) with respect to a relationship described in subsection (a)(2)(A) (a petition filed under section 204 for classification of an alien child under subsection (a)(2)(A)); or

“(B) with respect to an alien child who is a derivative beneficiary under subsection (d), a petition filed under section 204 for classification of the alien’s parent under subsection (a), (b), or (c).

“(3) Retention of Priority Date.—If the alien is determined under paragraph (1) to be 21 years of age or older for the purposes of subsections (a)(4) and (d), the alien’s petition shall automatically be converted to the appropriate category and retain the original priority date issued upon receipt of the original petition.

“(4) Clarification.—This subsection shall apply to a petition if it is properly filed, regardless of whether it was approved or not before such naturalization.”

SEC. 3. TREATMENT OF CERTAIN UNMARRIED SONS AND Daughters SEEKING STATUS AS FAMILY-SPONSORED, EMPLOYMENT-RELATED, AND DIVERSITY IMMIGRANTS.

Section 203 of the Immigration and Nationality Act (8 U.S.C. 1153) is amended by adding at the end the following:

“(k) Procedures for Unmarried Sons and Daughters of Naturalized Citizens.—

“(1) In General.—Except as provided in paragraph (2), in the case of a petition under this section initially filed for an unmarried son or daughter’s classification as a family-sponsored immigrant under section 203(a)(2)(B), based on a parent of the son or daughter being an alien lawfully admitted for permanent residence, if such parent becomes a naturalized citizen of the United States, such petition shall be converted to a petition to classify the unmarried son or daughter as a family-sponsored immigrant under section 203(a)(1).

“(2) Exception.—Paragraph (1) does not apply if the son or daughter files with the Attorney General a written statement that he or she elects not to have such conversion occur (or if it has occurred, to have such conversion revoked). Where such an election has been made, any determination with respect to the son or daughter’s eligibility for admission as a family-sponsored immigrant shall be made as if such naturalization had not taken place.

“(m) Priority Date.—Notwithstanding whether a petition is converted under this subsection or not, if an unmarried son or daughter described in this subsection was assigned a priority date with respect to such conversion, the priority date, or such naturalization, he or she may maintain that priority date.

“(n) Clarification.—This subsection shall apply to a petition if it is properly filed, regardless of whether it was approved or not before such naturalization.”

SEC. 4. USE OF AGE ON PARENT’S APPLICATION FILING DATE IN DETERMINING ELIGIBILITY FOR ASYLUM.

Section 208(b)(2) of the Immigration and Nationality Act (8 U.S.C. 1158(b)(2)) is amended to read as follows:

“(f) Treatment of Spouse and Children.—

“(A) In General.—A spouse or child (as defined in section 101(b)(1) (A), (B), (C), (D), or (E)) of an alien who is granted asylum under this subsection may, if not otherwise eligible for asylum under this section, be granted the same status as the alien if accompanying, or following to join, such alien.

“(B) Continued Classification of Certain Aliens as Children.—An unmarried alien who seeks to accompany, or follow to join, a parent granted asylum under this subsection, and who was under 21 years of age on the date on which such parent applied for asylum under this section, shall continue to be classified as a child for purposes of this paragraph and section 208(b)(2), if the alien attained 21 years of age after such application was filed but while it was pending.”

SEC. 5. USE OF AGE ON PARENT’S APPLICATION FILING DATE IN DETERMINING ELIGIBILITY FOR ADMISSION AS REFUGEE.

Section 207(c)(2) of the Immigration and Nationality Act (8 U.S.C. 1157(c)(2)) is amended—

“(A) by striking “(2)” and inserting “(2A)”;

“(B) by adding at the end the following:

“(B) An unmarried alien who seeks to accompany, or follow to join, a parent granted admission as a refugee under this subsection, and who was under 21 years of age on the date on which such parent applied for refugee status under this section, shall continue to be classified as a child for purposes of this paragraph and section 207(c)(2), if the alien attained 21 years of age after such application was filed but while it was pending.”

SEC. 6. TREATMENT OF CLASSIFICATION PETITIONS FOR UNMARRIED SONS AND Daughters OF NATURALIZED CITIZENS.

Section 201 of the Immigration and Nationality Act (8 U.S.C. 1154) is amended by adding at the end the following:

“(A) with respect to a relationship described in subsection (a)(2)(A) (a petition filed under section 204 for classification of an alien child under subsection (a)(2)(A)); or

“(B) with respect to an alien child who is a derivative beneficiary under subsection (d), a petition filed under section 204 for classification of the alien’s parent under subsection (a), (b), or (c).

“(2) Petitions Described.—The petition described in this paragraph is—

“(A) with respect to a relationship described in subsection (a)(2)(A) (a petition filed under section 204 for classification of an alien child under subsection (a)(2)(A)); or

“(B) with respect to an alien child who is a derivative beneficiary under subsection (d), a petition filed under section 204 for classification of the alien’s parent under subsection (a), (b), or (c).

“(3) Retention of Priority Date.—If the alien is determined under paragraph (1) to be 21 years of age or older for the purposes of subsections (a)(4) and (d), the alien’s petition shall automatically be converted to the appropriate category and retain the original priority date issued upon receipt of the original petition.”

“(4) Clarification.—This subsection shall apply to a petition if it is properly filed, regardless of whether it was approved or not before such naturalization.”
amended by adding at the end the following new clause: "(iii) Nothing in the amendments made by the Child Status Protection Act shall be construed to limit or deny any right or benefit provided under this subparagraph."

SEC. 8. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of the enactment of this Act and shall apply to aliens who is a derivative beneficiary or any other beneficiary of—

(1) a petition for classification under section 204(a) of the Immigration and Nationality Act (8 U.S.C. 1154) pending on such date before the Department of Justice if the alien is otherwise eligible to be admitted as a refugee or asylee under this Act; and

(2) a petition for classification under section 205 of the Immigration and Nationality Act (8 U.S.C. 1155) pending on or after such date.

Mr. REID. Madam President, Senator FRANKEN has a technical amendment at the desk, and I ask unanimous consent that the amendment be considered and agreed to, the motion to reconsider be laid upon the table, without any intervening action or debate.

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

The amendment (No. 3845) was agreed to, as follows:

On page 9, line 9, strike "(a)(4)" and insert "(a)(2)(A)".

On page 10, line 9, strike "(b)(3)" and insert "(b)(2)(A)".

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 672), as amended, was read the third time and passed, as follows:

S. 672

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Status Protection Act".

SEC. 2. USE OF AGE ON PETITION FILING DATE.

PARENT'S NATURALIZATION DATE, OR MARRIAGE TERMINATION DATE, IN DETERMINING STATUS AS IMMEDIATE RELATIVE.

Section 201 of the Immigration and Nationality Act (8 U.S.C. 1151) is amended by adding at the end the following:

"(1) RULES FOR DETERMINING WHETHER CERTAIN ALIENS ARE IMMEDIATE RELATIVES.—

`(a) AGE ON PETITION FILING DATE.—Except as provided in paragraphs (2) and (3), for purposes of subsection (b)(2)(A), a determination of whether an alien satisfies the age requirement in the matter preceding subparagraph (A) of section 101(b)(1) shall be made using the age of the alien on the date on which the petition is filed with the Attorney General under section 201 to classify the alien as an immediate relative under subsection (b)(2)(A)(i).

`(b) AGE ON PARENT'S NATURALIZATION DATE OR MARRIAGE TERMINATION DATE.—The age of an alien is determined under paragraph (2) with respect to a petition under section (a), (b), or (c).

`(c) PRIORITY DATE.—Regardless of whether a petition is converted under this subsection or not, if an unmarried son or daughter described in this subsection was assigned a priority date with respect to such petition before such naturalization, he or she may maintain that priority date.

`(d) RETENTION OF PRIORITY DATE.—If the age of an alien is determined under paragraph (1) to be 21 years of age or older for the purposes of subsections (a), (b), or (c), the alien's petition shall automatically be converted to the appropriate category and the alien shall retain the original priority date issued upon receipt of the original petition."

SEC. 4. USE OF AGE ON PARENT'S APPLICATION FILING DATE IN DETERMINING ELIGIBILITY FOR ASYLUM.

Section 208(b)(3) of the Immigration and Nationality Act (8 U.S.C. 1158(b)(3)) is amended to read as follows:

"(3) AGE ON MARRIAGE TERMINATION DATE.—If the age of an alien is determined under paragraph (1) to be 21 years of age or older for the purposes of subsections (a), (b), or (c), the alien's petition shall automatically be converted to the appropriate category and the alien shall retain the original priority date issued upon receipt of the original petition."
(1) a petition for classification under section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) approved before such date but only if a final determination has not been made on the beneficiary’s application for an immigrant visa or adjustment of status to lawful permanent residence pursuant to such approved petition; (2) a petition for classification under section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) pending on or after such date; or (3) an application pending before the Department of Justice or the Department of State on or after such date.

CHILD STATUS PROTECTION ACT OF 2001

Mr. REID. Madam President, I ask unanimous consent that the Senate now proceed to Calendar No. 377, H.R. 1299.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1299) to amend the Immigration and Nationality Act to determine whether an alien is a child, for purposes of classification as an immediate relative, based on the age of the alien on the date the classification petition with respect to the alien is filed for other purposes.

There being no objection, the Senate proceeded to consider the bill, which has been reported from the Committee on the Judiciary, with an amendment. (Strike out all after the enacting clause and insert the part printed in italic.)

SECTION 1. SHORT TITLE.

This Act may be cited as the “Child Status Protection Act”.

SEC. 2. USE OF AGE ON PETITION FILING DATE, PARENT’S NATURALIZATION DATE, OR MARRIAGE TERMINATION DATE, IN DETERMINING STATUS AS IMMEDIATE RELATIVE.

Section 201 of the Immigration and Nationality Act (8 U.S.C. 1151) is amended by adding at the end the following new clause:

“(1) RULES FOR DETERMINING WHETHER CERTAIN ALIENS ARE IMMEDIATE RELATIVES.—

“(A) Age on petition filing date.—Except as provided in paragraphs (B) and (D), for purposes of subsection (b)(2)(A)(i), a determination of whether an alien satisfies the age requirement in the matter preceding subparagraph (A) of section 101(b)(1) shall be made using the age of the alien on the date on which the petition is filed with the Attorney General under section 204 to classify the alien as an immediate relative under subsection (b)(2)(A)(i) or as an unmarried son or daughter of a citizen under section 204(a)(1), the determination described in paragraph (1) shall be made using the age of the alien on the date of the termination of the marriage or other effort to join, such alien.

“(B) Age on parent’s naturalization date.—In the case of a petition under section 204 initially filed for an alien child’s classification as a family-sponsored immigrant under section 203(a)(2)(A), based on the child’s parent being lawfully admitted for permanent residence, if the petition is later converted, due to the naturalization of the child’s parent, to a petition to classify the alien as an immediate relative under subsection (b)(2)(A)(i), the determination described in paragraph (1) shall be made using the age of the alien on the date of the parent’s naturalization.

“(C) Age on marriage termination date.—In the case of a petition under section 204 initially filed for an alien child’s classification as a family-sponsored immigrant under section 203(a)(2)(A), based on the alien’s being a married son or daughter of a citizen, if the petition is later converted, due to the termination of the alien’s marriage, to a petition to classify the alien as an immediate relative under subsection (b)(2)(A)(i) or as an unmarried son or daughter of a citizen under section 204(a)(1), the determination described in paragraph (1) shall be made using the age of the alien on the date of the termination of the marriage or other effort to join, such alien.

SEC. 3. TREATMENT OF CERTAIN UNMARRIED SONS AND DAUGHTERS SEEKING STATUS AS FAMILY-SPONSORED, EMPLOYMENT-BASED, AND DIVERSITY IMMIGRANTS.

Section 203 of the Immigration and Nationality Act (8 U.S.C. 1153) is amended by adding at the end the following:

“(h) RULES FOR DETERMINING WHETHER CERTAIN ALIENS ARE CHILDREN.—

“(1) IN GENERAL.—For purposes of subsections (a)(2)(A) and (a), a determination of whether an alien satisfies the age requirement in the matter preceding subparagraph (A) of section 101(b)(1) shall be made using—

“(A) the age of the alien on the date on which an immigrant visa number becomes available for such alien (or, in the case of subsection (d), the date on which an immigrant visa number becomes available for such alien’s parent), but only if the alien has sought to acquire the status of an alien lawfully admitted for permanent residence within one year of such availability; reduced by—

“(B) the number of days in the period during which the applicable petition described in paragraph (2) was pending.

“(2) PETITIONS DESCRIBED.—The petition described in this paragraph is—

“(A) with respect to a relationship described in subsection (a)(2)(A), a petition filed under section 204 for classification of an alien child under subsection (a)(2)(A); or

“(B) with respect to an alien child who is a derivative beneficiary under subsection (d), a petition filed under section 204 for classification of the alien’s parent under subsection (a), (b), or (c).

“(3) RETENTION OF PRIORITY DATE.—If the age of an alien is determined under paragraph (1) to be 21 years of age or older for the purposes of subsections (a)(4) and (d), the alien’s petition shall automatically be converted to the appropriate category and the alien shall retain the original priority date issued upon receipt of the original petition.

SEC. 4. USE OF AGE ON PARENT’S APPLICATION FILING DATE IN DETERMINING ELIGIBILITY FOR ASYLUM.

Section 208(b)(1)(D) of the Immigration and Nationality Act (8 U.S.C. 1158(b)(3)) is amended to read as follows:

“(1) TREATMENT OF SPOUSE AND CHILDREN.—

“(A) In general.—A spouse or child (as defined in section 101(b)(4) (A), (B), (C), (D), or (E)) of an alien who is granted asylum under this subsection may, if not otherwise eligible for asylum under this section, be granted the same status as the alien if accompanying, or following to join, such alien.

“(B) Continued classification of certain aliens who seek to accompany, or follow to join, a parent granted asylum under this subsection, and who was under 21 years of age on the date on which such parent applied for asylum under this section, shall continue to be classified as a child for purposes of this paragraph and section 208(b)(2), if the alien attained 21 years of age after such application was filed but while it was pending.

SEC. 5. USE OF AGE ON PARENT’S APPLICATION FILING DATE IN DETERMINING ELIGIBILITY FOR ADMISSION AS REFUGEE.

Section 201(c)(2) of the Immigration and Nationality Act (8 U.S.C. 1152(c)(2)) is amended—

“(1) by striking “(2)” and inserting “(2)(A)”;

and

“(2) by adding at the end the following:

“(B) An alien who seeks to accompany, or follow to join, a parent granted admission as a refugee under this subsection, and who was under 21 years of age on the date on which such parent applied for refugee status under this section, shall continue to be classified as a child for purposes of this paragraph, if the alien's parent was a derivative beneficiary or any other beneficiary of—

“(1) a petition for classification under section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) approved before such date but only if a final determination has not been made on the beneficiary’s application for an immigrant visa or adjustment of status to lawful permanent residence pursuant to such approved petition; or

“(2) a petition for classification under section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) pending on or after such date; or

“(3) an application pending before the Department of Justice or the Department of State on or after such date.

Mr. REID. Madam President, Senator Feinstein has a technical amendment at the desk, and I ask that the amendment be considered and agreed to, the motion to reconsider be laid upon the table, that the committee substitute amendment, as amended, be agreed to, the bill, as amended, be read a third
time, passed, and the motion to reconsider be laid upon the table, without any intervening action or debate.

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

The amendment (No. 3846) was agreed to, as follows:

On page 8, line 9, strike “(a)(4)” and insert “(a)(2)(A)”.

On page 8, line 9, strike “209(b)(2)” and insert “209(b)(3)”.

The committee amendment in the nature of a substitute, as amended, was agreed to. 10.

The bill (H.R. 1209), as amended, was read the third time and passed.

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

The legislative clerk read as follows:

A resolution (S. Res. 286) commending and congratulating the Los Angeles Lakers for their exceptional drive, discipline, and mastery in winning the 2002 National Basketball Association Championship.

There being no objection, the Senate proceeded to consider S. Res. 286 submitted earlier today by Senators Feinstein and Boxer.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 286) commending and congratulating the Los Angeles Lakers for their exceptional drive, discipline, and mastery in winning the 2002 National Basketball Association Championship last night.

Clearly, the Lakers are one of the most distinguished franchises in the history of professional sports. In sweeping a talented and game New Jersey Nets team, the Lakers won their third straight championship and their fourteenth overall.

Led by coach Phil Jackson, Shaquille O’Neal, and Kobe Bryant, the Lakers could not be denied. Shaquille O’Neal dominated the Finals and won his third straight National Basketball Association Finals Most Valuable Player award after scoring a record 145 points in the 2002 National Basketball Association Finals.

Another superstar, Kobe Bryant, averaged 28.8 points, 5.3 assists, and 5.8 rebounds during the Finals series after being named to the 2001-2002 All-National Basketball Association First Team. In addition, he delighted fans with his usual collection of highlight material plays.

Coach Phil Jackson also had a record breaking night. He won his ninth National Basketball Association title, tying the record of the legendary Boston Celtics coach, Red Auerbach. In addition, he won his 156th post-season game, surpassing former Lakers coach Pat Riley to become the winningest playoff coach in National Basketball Association history.

But it should be pointed out that the Lakers could not have won the championship without the hard work and dedication of the entire team: Rick Fox, Derek Fisher, Robert Horry, Brian Shaw, Devean George, Lindsey Hunter, Samaki Walker, Mark Madsen, Slava Medvedenko, and Mitch Richmond.

I also want to congratulate team owner Dr. Jerry Buss, General Manager Mitch Kupchak and all the others who put in the time and effort to bring another championship to the City of Angels. And, most importantly, I would like to thank the Laker fans in Los Angeles and throughout the state for being there for the team every step of the way.

The 2001-2002 Los Angeles Lakers have written another chapter in the history of one of the National Basketball Association’s storied franchises and will certainly go down as one of the greatest teams of all time.

They have made the City of Los Angeles and the State of California proud.

The Los Angeles Lakers are a team with a tremendous amount of heart, stamina, determination, and a clear will to win. I have no doubt that this team stands ready to make a run at a fourth straight championship and add yet another banner to the rafters of the Staples Center.

Mr. REID. Madam President, I was pulling for the Sacramento team. I have to say, as much as I dislike the Lakers, they sure came through in the clutch. They really know how to win. You have to admire them for that.

I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid on the table, and any statements relating thereto be printed in the RECORD, without further intervening action or debate.

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

The resolution (S. Res. 286) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

WHEREAS the Los Angeles Lakers are one of the greatest sports franchises in history; WHEREAS the Lakers organization has won 14 National Basketball Association Championships; WHEREAS the Los Angeles Lakers are 1 of the most distinguished franchises in the history of professional sports; WHEREAS the Lakers have been named as the most popular sports franchise in the United States for the last 14 years; WHEREAS the Lakers have been named as the most popular sports franchise in the United States for the last 14 years.

WHEREAS Kobe Bryant, the Lakers’ star guard, has been named as the Most Valuable Player in the National Basketball Association for the past four years; WHEREAS the Lakers have won three consecutive National Basketball Association Championships since 2000; WHEREAS the Lakers have won 15 consecutive playoff series since 1998; WHEREAS the Lakers have won 22 consecutive games in the playoffs since 2000; WHEREAS the Lakers have won 27 consecutive playoff games since 2000; WHEREAS the Lakers have won 30 consecutive playoff games since 2000.

WHEREAS Shaquille O’Neal, the Lakers’ star center, has been named as the Most Valuable Player in the National Basketball Association for the past three years; WHEREAS Shaquille O’Neal has won three consecutive National Basketball Association Finals Most Valuable Player awards; WHEREAS Shaquille O’Neal has won the NBA’s Most Valuable Player award for three consecutive years; WHEREAS Shaquille O’Neal has won the NBA’s Most Valuable Player award for three consecutive years;

WHEREAS Kobe Bryant was named to the 2001-2002 All-National Basketball Association First Team after averaging 25.5 points per game, 5.5 rebounds per game, and 5.5 assists per game during the regular season; WHEREAS Kobe Bryant averaged 26.8 points, 5.8 rebounds, and 5.3 assists during the 2002 National Basketball Association Finals; WHEREAS Coach Phil Jackson won his ninth National Basketball Association title, tying the record of legendary Boston Celtics coach, Red Auerbach; WHEREAS Coach Phil Jackson won his ninth National Basketball Association title, tying the record of legendary Boston Celtics coach, Red Auerbach;

WHEREAS the Los Angeles Lakers epitomize the spirit of their hometown with their determination, heart, stamina, and amazing comeback ability; WHEREAS the support of all the Los Angeles fans and the people of California propelled the Los Angeles Lakers to another National Basketball Association Championship; and

WHEREAS the Los Angeles Lakers are poised to win a fourth straight National Basketball Association Championship next season.

NOW, THEREFORE, BE IT RESOLVED, That the Senate commends and congratulates the Los Angeles Lakers on winning the 2002 National Basketball Association Championship.

ORDERS FOR FRIDAY, JUNE 14, 2002

The Senate will conduct two rollcall votes beginning at approximately 9:35 a.m., first on passage of H.R. 3275, the Suspension of Terrorism Convention, and then on the Allen amendment to the terrorism insurance bill regarding frozen assets.

PROGRAM

Mr. REID. Madam President, the Senate will conduct two rollcall votes beginning at approximately 9:35 a.m., first on passage of H.R. 3275, the Suspension of Terrorism Convention, and then on the Allen amendment to the terrorism insurance bill regarding frozen assets.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. REID. Madam President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 8:50 p.m., adjourned until Friday, June 14, 2002, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 13, 2002:
FEDERAL MARITIME COMMISSION
REBECCA DYE, OF NORTH CAROLINA, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2005, VICE JOHN A. MORAN, TERM EXPIRED.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
WILLIAM A. SCHAMBA, OF VIRGINIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING SEPTEMBER 14, 2006, VICE CAROL W. KINSLEY, TERM EXPIRED.
DONNA N. WILLIAMS, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING OCTOBER 6, 2006, VICE ROBERT B. ROGERS, TERM EXPIRED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
EARL A. POWELL III, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2006, VICE TOWNSEND D. WOLFR III, TERM EXPIRED.

NATIONAL LABOR RELATIONS BOARD
ROBERT J. BATTISTA, OF MICHIGAN, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR THE TERM OF FIVE YEARS EXPIRING AUGUST 27, 2006, VICE PETER J. HURTGEN.

IN THE NAVY
THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral
REAR ADM. PHILLIP M. BALISLE, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral
REAR ADM. ROBERT F. WILLARD, 0000
EXTENSIONS OF REMARKS

IN RECOGNITION OF THE 12TH ANNUAL TEACHERS ON AN AGRICIENCE BUS PROGRAM

HON. J. DENNIS HASTERT
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. HASTERT. Mr. Speaker, I rise today to recognize the 12th Annual Teachers on an Agriscience Bus Program as well as the invaluable contributions it has made in expanding the understanding of agriculture and agriscience.

First launched as a pilot program in June 1991, the Teachers on an Agriscience Bus Program was developed to include tours and seminars at a variety of agriscience industries in Chicago and the Western Suburbs. Tour hosts explain the multitude of career opportunities in agriscience and provide tours of their facilities, demonstrating the high-tech nature of the industry.

In 1991, the program included 26 staff members from Naperville School District 203. However, it became evident to those involved that the wealth of information provided by the Program could serve a greater purpose by opening up the experience to neighboring school districts. To date, 504 participants from 30 school districts, many of which are located in my Congressional District, have taken part in the program.

The agriculture industry in the State of Illinois is of primary importance to the economy, not only to the state, but as one of the largest employers in the U.S. The youth of America, and particularly those in Illinois, need current, up-to-date, technological backgrounds in the importance of agriculture in their everyday lives and of the career opportunities available to them in the industry.

As a former high school teacher, I can attest to the importance of continued innovative programs needed to reach our youth. The Teachers on an Agriscience Bus Program enables educators to share an awareness and appreciation for agriculture and agriscience career opportunities with their students. Participants in the Program have introduced approximately 60,000 students to the fact that agriscience and its related industries constitute more than just farming; today it is a highly technical, viable and sophisticated industry.

Finally, I would like to point out that the continued success of the Teachers on an Agriscience Bus Program is due to the overwhelming support of the sponsoring organizations, including: the Midwest Dairy Association of Illinois, DuPage County Fair Association, DuPage County Farm Bureau, DuPage County Regional Office of Education, Illinois Landscape Contractors Association, Naperville Community Unit School District 203, Wheatland Plowing Match Association, DuPage Education to Careers System, 1st Farm Credit Services of Northern Illinois, Illinois Pork Producers and Illinois Agricultural Association Foundation.

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I commend everyone involved in the Teachers on an Agriscience Bus Program for their commitment to educate our children on the importance of agriculture and am hopeful they will continue to make a positive impact in the lives of students and staff for years to come.

200TH ANNIVERSARY OF THE TOWN OF OWASCO

HON. JAMES T. WALSH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. WALSH. Mr. Speaker, I rise today in recognition of the 200th Anniversary of the Town of Owasco. This bicentennial will include town historical events beginning in June and continuing through the year long celebration.

Settlers began arriving in this scenic area in 1792 and built their homes along the beautiful shores of Owasco Lake. The town of Owasco was officially founded in 1802. During the town’s early history, dignitaries such as Martin Van Buren and Washington Irving were entertained in this beautiful Cayuga County setting.

The jewel of Owasco, perched on the North end of the lake, is what is now known as Emerson Park. While many facets of life in Owasco have changed over the past two hundred years, the park has remained a staple of the community. It opened on July 1, 1889, boasting a family orientated atmosphere with a merry-go-round and a 350-foot miniature train ride. By the 1890’s the park had a hotel, dance hall, and even began to serve ice cream cones. The park became the centerpiece of entertainment in Cayuga County and the gem of the Town of Owasco.

The rich history of Owasco and Emerson Park provides the backdrop for this bicentennial celebration. It is my honor to recognize the Town of Owasco and to extend best wishes for many more years that will continue to contribute to the distinguished history of Cayuga County.

RECOGNIZING VACAVILLE CITY ATTORNEY CHARLES O. LAMOREE ON THE OCCASION OF HIS RETIREMENT

HON. MIKE THOMPSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. THOMPSON of California. Mr. Speaker, we rise today to recognize Vacaville, California City Attorney Charles O. Lamoree, a dedicated public servant who is retiring June 30, 2002 after twenty-five years of tremendous service to his community.

Mr. Lamoree has been the City Attorney in Vacaville since 1989. During his tenure, he wrote the city’s Planned Growth Ordinance.
managing development within the city, represented the city in federal litigation concerning the Fair Labor Standards Act, negotiated and wrote development agreements for major city projects, negotiated acquisition agreements for new city water supplies, wrote the city’s development impact fee ordinance, reduced dependence on outside counsel in tort litigation to less than 5% of all claims and created and implemented a long range computerization plan.

In addition to his duties with the municipality, he has served as President of the Solano County Bar Association, President of the County Counsels’ Association of California, Committee Member of the County Counsels’ Benchbook, Member of the League of California Cities Municipal Law Handbook Editorial Board and Delegate to the State Bar Association Conference Delegates.

Mr. Lamoree received special recognition when he was named the 1993–94 “Boss of the Year” by the Solano County Legal Secretaries Association.

Prior to becoming the City Attorney in Vacaville, he served for seven-and-a-half years as Solano County Counsel, as Assistant City Attorney in Vallejo and Deputy County Counsel in both Solano and Fresno Counties.

Mr. Lamoree completed his undergraduate work at Sonoma State University and received his law degree from the University of California, Davis. He was admitted to the State Bar of California in 1972 and is also admitted to practice before the U.S. District Court of Appeal and the U.S. District Courts for the Eastern and Northern Districts of California.

Mr. Speaker, Charles Lamoree has had a long and distinguished career and has had a lasting impact on his community. It is therefore fitting that we honor him today for his many accomplishments and contributions.

COMMEMORATING THE 125TH ANNIVERSARY OF THE TIBBITS CADETS OF TROY, NEW YORK

HON. JOHN E. SWEENEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. SWEENEY. Mr. Speaker, the Tibbits Cadets of Troy, New York, were founded on August 18, 1876. With strong ideals and a fervent belief in community service, the Tibbits Cadets have consistently acted with dignity and honor in their quest to preserve and share the rich history of Troy, New York.

The Tibbits Cadets by name and deed have perpetuated and honored the memory of Major General William Badger Tibbits at the conclusion of the year-long celebration of the one hundred and twenty-fifth anniversary of their founding.

HONORING DAVID WAYNE COOPER
HON. DUNCAN HUNTER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. HUNTER. Mr. Speaker, I rise today to congratulate David Wayne Cooper of my district in San Diego for achieving his masters degree in business administration (MBA) from National University. David has fared some low points in his life, but did not allow these challenges to stop his determination to overcome adversity and fulfill his life ambitions.

David was born with cerebral palsy, which resulted in orthopedic and speech disabilities. These disabilities would affect many aspects of David’s life, however, he persevered and graduated Clairemont High School at the age of 19. In 1998, David built upon this achievement by earning a bachelors degree in science with a concentration in Information Systems from San Diego State University (SDSU).

During his academic pursuits, David worked as a computer programmer at the Science Applications International Corporation (SAIC) in San Diego. At SAIC, David’s duties included working on the County of San Diego Information Systems updates and maintenance contract.

While working at SAIC, David was able to take advantage of their tuition reimbursement program, earning a graduate degree from National University in his spare time. On May 12, 2002, David walked across the state at the Convention Center in San Diego and received his MBA, the culmination of a solid work ethic, dedication, and triumph over adversity.

HON. JAMES E. CLYBURN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to a dear friend and fellow South Carolinian, Dr. Leroy Davis, Sr. On June 30th, Dr. Davis, who has served as president of South Carolina State University (SCSU) in Orangeburg, South Carolina, will retire from the alma mater, South Carolina State University (SCSU) in Orangeburg, South Carolina.

Dr. Davis is only the second alumnus and the first Orangeburg native to be inaugurated as president of South Carolina State University in its 125-year history.

Dr. Leroy Davis, Sr. received a bachelor of science degree in biology and a master of science degree in microbiology at SCSU. He matriculated at Purdue University and received his doctoral degree in molecular biology in 1979. Most of Dr. Davis’ professional career has been spent serving his alma mater at South Carolina State University, where he quickly advanced and became a tenured professor of biology. He also worked at Brookhaven National Laboratory as a research assistant and the National Institutes of Health where he was an extramural associate. However, his love for his home State and S.C. State brought him back to South Carolina.

Dr. Davis has served as director of the Office of Institutional Self-Study, provost for Academic Admissions, vice president of Student Services, and interim president. On April 10, 1996, Dr. Davis became the eighth president of this exceptional institution.

While serving as president of South Carolina State University, Dr. Davis has shown tremendous leadership and innovation. The University established its first staff senate, increased scholarship support in order to recruit more academically talented freshmen, the first Emeritus awards to professors have been presented, and community service programs in the fields of health care and economic development have been put into action. In addition to his many accomplishments at South Carolina State University, Dr. Davis has spread his talents to other Universities in the region by being active in the Southern Association of Colleges and Schools (SACS). In this organization, he serves as Commissioner on the Commission on Colleges and presents workshops and symposiums, Dr. Davis also holds memberships in many professional and service organizations including the American Council on Education, the Association for the Advancement of Science, and Rotary International.

Dr. Davis is husband to the former Christine McGill of Kingsstree, South Carolina and the father of two children Tonya and Leroy, Jr. Throughout his life, Dr. Davis has shown an unrelenting pursuit and love for education. Through his example of diligence and perseverance in his studies and as an educator, Dr.
Leroy Davis has touched many lives, and has inspired students as well as peers.

Mr. Speaker, I ask you and my colleagues to join me in recognizing my good friend and a man that I greatly admire and deeply respect. Dr. Leroy Davis, Sr. has served his community and State well and has provided outstanding leadership to South Carolina State University over the years. I wish him good luck and Godspeed in what I know will be a very active retirement.

RECOGNIZING WEST GROUP

HON. BILL LUTHER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. LUTHER. Mr. Speaker, I would like to take this opportunity to recognize an employer in my district that has gone above and beyond its duty in showing support for military reservists called to active duty.

West Group has been extremely generous to the men and women who have been called to duty in this time of conflict.

When Petty Officer Theodore Cabbage was activated, for example, West Group immediately put into place a package of benefits to support his family until his return. In addition, West Group agreed to meet the difference between Petty Officer Cabbage’s civilian and military pay for a period of 5 years.

The outstanding patriotism shown by West Group helps to ease the financial worry most military reservists feel when they are away from home. In turn, individuals like Petty Officer Cabbage are better able to focus on the tasks before them, ensuring that our country is safe and secure. It is an honor and privilege to represent West Group in the U.S. Congress. I ask everyone to join me in commending their generous actions.

CONGRATULATIONS MRS. ANNE SPECTOR

HON. JOSEPH M. HOEFFEL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. HOEFFEL. Mr. Speaker, I rise today to congratulate and recognize Mrs. Anne Spector of Cheltenham, Pennsylvania. For over 30 years, Mrs. Spector has taught at every level in the Philadelphia area from kindergarten to third year law students. I recognize her today specifically for her endless dedication to the children of the Cheltenham School District.

Anne embarked on her remarkable teaching career in 1967 at Bartlett Junior High School in South Philadelphia. In 1972, Anne took her only sabbatical from teaching to give birth to Caralyn, her daughter, and Michael, her son. While at home, caring for her children, Anne attained her Reading Specialist Certification and a variety of master’s degrees. She also served as co-president of the Wyncote Parent Teacher Organization.

Anne returned to full time teaching at Norwood-Fontbonne as the head of a program for gifted children. There Anne demonstrated dedication to fostering the talents of special children. She subsequently took on a long-term position with Cheltenham School District. Here she worked diligently to implement programs that she felt would cultivate the gifts of every student. Most recently, Anne has contributed tremendously to Cheltenham by taking on the duties of District Grant Development Specialist. In this capacity she has affected all grade levels by writing million-dollar grant proposals.

Throughout her teaching career Anne touched the minds and hearts of countless students and parents. I would like to thank Anne for her unmatched dedication to the education of our leaders of tomorrow. We are grateful to have such a distinguished citizen in our community.

TRIBUTE TO KATIE MARBURGER

HON. JAMES A. TRAFICANT, JR.
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. TRAFICANT. Mr. Speaker, as Representative to the citizens of the 17th Congressional District of Ohio, it brings me great pleasure to pay tribute to Katie Marburger, on this date, June 12, 2002, as she is recognized for her scholastic achievements in History, on National History Day.

Katie Marburger, a student at Edison Junior High School in Niles, Ohio, was one of seventeen students chosen out of a half million students across America, to display and present her history project at the Smithsonian Institution’s National Museum of American History. Katie’s project is titled “... And Justice for All? The Imprisoning of the Japanese Americans: a Revolution of Discrimination.” The National History Day Program allows students to create exhibits, documentaries and performances, by using their critical thinking and research skills in the subject of history.

I congratulate Katie as she is honored for her presentation, and commend her for her dedication and commitment. I join with the citizens of this district in wishing Katie well in all her future endeavors, and may God bless her in the years to come.

175TH ANNIVERSARY OF THE TOWN OF CLAY

HON. JAMES T. WALSH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. WALSH. Mr. Speaker, I rise today in honor of the 175th anniversary of the town of Clay. The first settlers arrived in the township of Clay in 1793, and the town was the scene of much of Central New York’s notable early history. Clay became its own entity on April 16, 1827.

The town was named in honor of Henry Clay, the great statesman from Kentucky, and is surrounded by three beautiful Central New York rivers—the Oneida, Seneca and Oswego. This location was the site of numerous Indian Councils and served as the center of the Iroquois Confederacy. It was here that early French and English explorers, traders and military officers met with the Indians and matched eloquence with that of the Indian orators.

The town flourished in its early days and continues to grow at a rapid pace. In the 175th year history of Clay the town population has grown from 700 to over 58,000, and Clay continues to expand. It remains Onondaga County’s most populated town today. It is my honor to recognize the town of Clay and extend best wishes for many more years of distingushed history in Onondaga County.

TRIBUTE TO DR. NORMAN SAMUELS

HON. DONALD M. PAYNE
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. PAYNE. Mr. Speaker, I rise today to recognize one of our country’s great educators, Dr. Norman Samuels. A native of Montreal, Quebec, Dr. Samuels has been an integral part of the Newark, New Jersey community for the past 35 years. As of June 30, 2002, Dr. Samuels will resign as provost of the Newark Campus of Rutgers, leaving behind him a campus that will be forever changed because of his presence.

Upon his arrival in Newark in 1967, Dr. Samuels began his career at Rutgers as an assistant professor of political science. From there, he rose to associate dean and visiting fellow at the Woodrow Wilson School of Princeton University, being appointed as acting provost in 1982. Upon his resignation, Dr. Samuels will return to the classroom.

In 1967, Rutgers was not the place that it is today. Much like the rest of the country, New-ωrk was erupting in race riots and Rutgers was a predominantly white university. When Dr. Samuels arrived he became a catalyst for change at the university from lending support to the school’s African-American students to seeing that diversity flourished at Rutgers. The notion of a segregated society was foreign to Dr. Samuels and he made it his mission to see that disadvantaged students, students of color, and students of foreign nationalities were all given the same high-quality education. His goal was to create a unified campus life. As a result of his efforts Rutgers-Newark is recognized as one of the country’s most diverse universities.

Dr. Samuels not only has the drive to educate our country’s young people but also to instill in them the necessary values for the future. He has sought to equip them with the tools necessary to become the future leaders, thinkers, and doers of the next generation. He has inspired greatness through his greatness. Mr. Speaker, I know that my colleagues here in the U.S. House of Representatives join me in recognizing the work of Dr. Samuels and wish him the best for a healthy and happy future.
E1030

MYchal Judge PoliCe and FiRe ChapLINS PuBlic SaFety offiCeRs’ benefiT act of 2002

SPEECH OF
HON. JOSEPH CROWLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 11, 2002

Mr. CROWLEY. Mr. Speaker, I rise in strong support for the Mychal Judge Police & Fire Chaplains Public Safety Officers’ Benefit Act.

This legislation would ensure that those brave public safety officers who leave behind no spouses, children or parents will still be eligible for the Public Safety Officers’ Benefit. This legislation would reflect several of the victims of the tragedy of September 11 including Father Mychal Judge.

Appointed in 1992 as the Catholic Chaplain of the New York City Fire Department at the strong urging of the uniformed members of the Fire Department, Father Judge dedicated himself to helping others and counseling to the members and families of members of the New York City Fire Department—a Department that has seen a tragically high number of casualties this year, previous to the events of 9–11. Taking on this role was characteristic of Father Judges lifetime of service that began when he entered the seminary at age 14. During his 41 years as a priest, Father Judge tirelessly served the sick, homeless, poor, and disabled. He diligently cared for people living with AIDS, worked for peace in Northern Ireland, and tended to the families of the victims of TWA Flight 800, which exploded over Long Island.

In 1993, Father Judge was one of the first to be named following the attack on the World Trade Center, where generation after generation of students benefited from his guidance.

That is why I am so pleased that such a compassionate and vital piece of legislation is named after such a compassionate and vital human being.

Therefore, I urge my colleagues to pass this legislation that serves as a small token of appreciation to those who perish in the line of duty from a grateful nation.

TRIBUTE TO BANDA ESCOLAR DE GUAYANILLA

HON. JOSE E. SERRANO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. SERRANO. Mr. Speaker, it is with great pride that I rise today to pay tribute to the Banda Escolar De Guayanilla, a marching band of young people from Guayanilla, Puerto Rico who will play in the 44th annual National Puerto Rican Parade. The legendary parade, to be held on June 9th in New York City, is the largest celebration of Puerto Rican culture in the United States.

This year, I have the distinct honor of being the parade’s Grand Marshal. I can not express how much I appreciate this honor. I am especially proud to be Grand Marshal of the parade this year, because it will be the Banda Escolar De Guayanilla’s fifth year participating. This exceptional parade in the parade in 1987, 1988, 1990, and 1992.

Mr. Speaker, the Banda Escolar De Guayanilla is made up of about 200 students from Guayanilla who spend nearly all of their spare time in rigorous practice, doing drills to improve their performance. These young people are exceptionally talented and have been recognized throughout the country for their precise marching, discipline, and excellent presentation. Not only must these young people hone such difficult skills and travel all over the country to march, they must maintain their schoolwork as well. As a result, they develop unmatched time-management skills and self-discipline at a young age. Only the best march in this band and that is why they have been singled out so many times.

In 1998, the Banda Escolar De Guayanilla became the first Latin American band to march in the Macy’s Thanksgiving Day Parade, perhaps the most famous parade in the world. They also participated in the well-known Tournament of Roses Parade in 2001. Along with these major accomplishments, the Banda Escolar De Guayanilla marched in the Walt Disney World Parade in Orlando, the Thanksgiving Parade in Philadelphia, and dozens of parades throughout the Americas. Mr. Speaker, I ask my colleagues to please join me in honoring the Banda Escolar De Guayanilla, a marching band of dedicated youth who will grace this year’s Puerto Rican Day Parade.

In addition to the New York Fire Department, many of us here in Congress recognize and acknowledge his good works and have been working with the White House for the posthumous awarding of the presidential Medal of Freedom to Father Judge.

Mr. Speaker, Walter Johnson is an outstanding individual and a respected labor and community leader. I ask my colleagues to join me in honoring this distinguished man for all he has done and continues to do. We are a better county, a better people because of him.

IN HONOR OF BARBARA JOHNSON

HON. ROBERT MENENDEZ
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Barbara Johnson for her 40 years as an educator and leader at Washington School. Her retirement will be celebrated on June 14, 2002, at Washington School, the very place where generation after generation of students benefited from her guidance.

Barbara Johnson dedicated herself to a life of teaching, greatly influencing the lives of Union City residents. She started her career as a fourth grade teacher at Washington School in 1962. In 1971, she also became a helping teacher/curriculum resource teacher, was eventually promoted to assistant principal in 1992, and will retire as Washington School’s esteemed principal.

Barbara Johnson has left a lasting legacy at Washington School, having introduced the following outstanding programs: violin program, marching band, multicultural extravaganza, parent dinners, field day picnics, and peer mediation.

Mr. Speaker, it is with great pride that I rise today to honor Walter Johnson, a respected citizen of San Mateo County, California, who is being honored by the San Mateo Central Labor Council. This legislation would effect several of the victims of the tragedy of September 11 including Father Mychal Judge.

This legislation would effect several of the victims of the tragedy of September 11 including Father Mychal Judge.

Mr. Speaker, Walter Johnson is an outstanding individual and a respected labor and community leader. I ask my colleagues to join me in honoring this distinguished man for all he has done and continues to do. We are a better county, a better people because of him.

IN HONOR OF BARBARA JOHNSON

HON. ANNA G. ESCHOO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Ms. ESCHOO. Mr. Speaker, I rise today to honor Walter Johnson, a respected citizen of San Mateo County, California, who is being honored by the San Mateo Central Labor Council at its 23rd Annual COPE Benefit Dinner on July 18, 2002.

Walter Johnson has been a visionary leader within the labor movement for more than 40 years. He was a key leader in the fight against breast cancer, helping to lead rallies on behalf of the Breast Cancer Fund. Walter also serves on the boards of various local organizations including the United Way of the Bay area, the Bay Area Sports Organizing Committee and Our Redeemers Lutheran Church.

Mr. Speaker, Walter Johnson is an outstanding individual and a respected labor and community leader. I ask my colleagues to join me in honoring this distinguished man for all he has done and continues to do. We are a better county, a better people because of him.

IN HONOR OF BARBARA JOHNSON
open door policy for her staff, students, and parents. Her willingness to be an active part of the lives of the students, parents, and staff, her innovative new programs, and her years of commitment will never be forgotten.

Today, I ask my colleagues to join me in honoring Beatrice Johnston for 40 years of service to Washington School. She will be missed, and remembered for her commitment and hard work on behalf of Washington School’s students and staff. At Washington School, her legacy will live on forever.

RECOGNIZING MS. VIRGINIA W. IMPROTA
HON. JAMES R. LANGEVIN
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. LANGEVIN. Mr. Speaker, I rise today to recognize Ms. Virginia W. Improta, an exceptional history teacher and role model from Johnston, RI. Ms. Improta has been named one of eight national finalists for the Richard T. Farrell Teacher of Merit Award. This national award is presented every year to an educator who develops and uses innovative and creative teaching methods to enhance students’ interest in history. As a teacher at Nicholas A. Ferri Middle School in Johnston, RI, she has shown exemplary commitment to making history education engaging and exciting, while involving her students in the National History Day Program.

National History Day is a yearlong program in which students explore historical topics related to an annual theme. Participants qualify for national competition after competing in several local and state competitions. In preparing her students for the program, Ms. Improta’s work ethic and research skills provided students with the tools necessary to be successful in competition.

Mr. Speaker, I find it heartening that there are educators in this country who devote so much time and effort to shaping the minds of our young people. I hope you and our colleagues will join me in recognizing Ms. Virginia Improta for her dedication to educating the potential leaders of tomorrow.

ANOKA, MINNESOTA: HALLOWEEN CAPITAL OF THE WORLD
HON. BILL LUTHER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. LUTHER. Mr. Speaker, I would like to recognize the city of Anoka, MN, for their long-standing tradition of community oriented Halloween festivities. On May 20, 2002, the city council of Anoka, MN, reaffirmed their proclamation of Anoka as “Halloween Capital of the World.” Celebrating Halloween as a community for over 80 years, the people of Anoka are proud of their unique tradition. Anoka is thought to be the first to put on a citywide celebration and parade to provide families with alternative activities and fun on Halloween.

Local historians have traced the Anoka Halloween tradition back to its initial celebration in 1920. That year, local civic organizations, businessmen, teachers, city workers, and the National Guard joined together and planned the first Halloween celebration. This celebration provided a fun and safe environment in which to enjoy Halloween and has been a major community event ever since. Due to the celebration’s size and community significance, Anoka first proclaimed itself the “Halloween Capital of the World” in 1937.

The community’s ongoing commitment to the celebration is clearly reflected in year-round planning that includes citizens of all ages. In this way, the Halloween celebration is a unique civic event that certainly lives up to its title as “Halloween Capital of the World.”

PERMANENT DEATH TAX REPEAL
ACT OF 2002

SPEECH OF
HON. BETTY MCCOLLUM
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 6, 2002

Ms. McCOLLUM. Mr. Speaker, before Congress passes legislation placing an enormous drain on the federal budget in future years, we first need to address the serious problems with funding homeland defense, protecting education, the environment, Social Security and Medicare.

While the Republican bill permanently repeals the estate tax, it provides no immediate relief for small, family-owned estates which are the ones most in need. Make no mistake—repealing the estate tax in 2011 will not stimulate the economy in 2002.

I support more immediate estate tax relief and voted for the substitute that freezes the existing maximum estate tax at the current rate of 40 percent and increases the estate tax credit to $3 million, $6 million for couples, beginning in 2003, up from $1 million under current law.

I stand today in opposition to H.R. 2143, to make repeal of the estate tax permanent. Under last year’s Republican tax bill, repeal of the estate tax is slowly phased in until 2010. However, because Republicans put a sunset on all of their tax-cut provisions to hide their true costs, the estate tax will return to the 2001 levels of taxation in 2010.

This permanent repeal of the estate tax benefits only the very wealthiest in our society while endangering our long-term economic stability and the solvency of Social Security and Medicare. Once again, the House Republican Leadership has shown its true priorities by helping 22,000 families at the very top of the income scale while letting 35 million seniors wait for help with their prescription drug bills.

Currently, the estate tax applies to fewer than 2 percent of all estates—less than 50,000 each year. In addition, family-owned businesses and farms are already eligible for special tax treatment under current law.

Families in Minnesota’s Fourth District want sound investments in our future, protecting Social Security and Medicare, and responsible tax cuts that provide relief now. For example, the average Minnesota estate tax for tax purposes of $5 million or more in 1999 was approximately $586,000. I supported a $5 million exemption that would have eliminated the estate tax on all but 36 Minnesota estates that owned estate tax.

I found it embarrassing to open the Washington Post today to see that based on the personal assets of the Bush administration Cabinet, a full repeal of the estate tax will save the Bush Cabinet $988,332 million in estate tax. The President has taken his full repeal message to family farmers in the Midwest telling him’s fighting for them. Yet family farmers rarely pay estate tax. In fact, last year the American Farm Bureau Federation could not cite a single example of a farm lost because of estate taxes when pressed.

So far, the Republicans’ fiscal plan has meant that we have gone from projected surpluses of $5.6 trillion to deficits as far as the eye can see—not to mention the fact that unless Congress takes action to balance the budget, we will have to raise the federal debt limit to ensure that the government does not default on its current debts. This year alone, the budget deficit, excluding the Social Security trust fund, is estimated to be $314 billion. Over the next 10 years, the non-Social Security deficit will total $2.6 trillion. If these projections are correct, the budget is on course to deplete the entire Social Security surplus and the entire Medicare surplus between now and 2012.

NATIONAL HISTORY DAY
NATIONAL CONTEST

HON. TED STRICKLAND
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. STRICKLAND. Mr. Speaker, I want to commend and congratulate two students from Ohio who have been chosen to present projects at the National History Day national contest, which is taking place this year from June 9 through the 13. Alexandria West, who is from Galipolis, OH, will present her project, “Amistad: From Freedom and Back,” and Katie Marburger, who is from Niles, OH, will present an exhibit called “. . . And Justice for All? The Imprisoning of the Japanese Americans: A Revolution in Discrimination.” These projects reflect this year’s National History Day theme of “Revolutions: Revolution, Reform in History” and were selected from more than half a million students across America.

The National History Day program seeks to give students the critical thinking and research skills that are essential for excellence in all subject areas. Students research history topics of their choice related to an annual theme and create exhibits, performances, documentaries, and papers, which they may enter into competitions at the district, state, and national levels. The program annually engages more than 2 million participants in grades 6 through 12 in 49 States and the District of Columbia.

CONGRATULATING DR. ARUN N. NETRAVALI
HON. MICHAEL FERGUSON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. FERGUSON. Mr. Speaker, I rise today to congratulate Dr. Arun N. Netravali on being
named a 2001 National Medal of Technology Laureate.

Given each year by the President, the Na-
tional Medal of Technology is the highest
honor that our country can bestow upon Amer-
cana's innovators. Enacted by Congress in
1980, the National Medal of Technology was
first awarded in 1985 to honor those scientis-
ts who through their work push the bounds of
technology with the goal of benefiting human-
ity.

Dr. Netravali’s career achievements are cer-
tainly deserving of the highest acclaim. He is a
pioneer in the field of digital technology. Serv-
ing from 1999 to 2001 as the ninth presi-
dental leader. The Indian government hoped that
more than 20,000 Sikhs were killed, including
38 other Sikh temples (known as Gurdwaras),
his lifelong dedication to science and his unre-
thored three books. He holds more than 70
patents in the areas of computer networks, human
interfaces to machines, picture pro-
cessing and digital television.

With great minds like Dr. Netravali working
along the frontier of technology, we can only
expect to be amazed by what will be achieved
in the near future. I commend Dr. Netravali for
his lifelong dedication to science and his unre-
enting pursuit of the unimaginable.

IN MEMORY OF INDIA’s ATTACK ON A RELIGIOUS SHRINE

HON. DAN BURTON
OF INDIANA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. BURTON of Indiana. Mr. Speaker, as
you may know, this week marked the anniver-
sary of India’s June 1984 attack on the Gold-
en Temple in Amritsar, the seat of the Sikh re-
ligion. This is the equivalent of attacking the
Vatican of Mecca.

In the attack, which also included attacks on
38 other Sikh temples (known as Gurdwaras),
more than 20,000 Sikhs were killed, including
Sant Jarnail Singh Bhindranwale, a Sikh polit-
cal leader and government opponent. The attack
by murdering Bhindranwale, it would end the
Sikh Nation’s aspirations for freedom, but as
Bhindranwale himself said, the attack “laid the
foundation of Khalistan,” the independent Sikh
homeland.

I would like to extend my sympathies to all
Sikhs on this occasion and I would like to let
them know that many of us grieve with them
at this brutal atrocity committed against them.
The Council of Khalistan recently led a com-
memoration of the Golden Temple attack. I
would like to place the report of that com-
memoration into the RECORD for the informa-
tion of my colleagues.

SIKHS OBSERVE KHALISTAN MARTYRS DAY—
SIKHS NEVER FORGIVE OR FORGET ATTACK ON GOLDEN TEMPLE

GOLDEN TEMPLE ATTACK LAID FOUNDATION OF KHALISTAN

WASHINGTON, D.C., June 1, 2002.—It is a
Sikh tradition and Sikh history that Sikhs
never forgive or forget the attack on the Gold-
en Temple, the Sikh Nation’s holiest
shrine. In that spirit, Sikhs from all over the
East Coast gathered in Washington, D.C.
today to observe Khalistan Martyrs Day.

This is the anniversary of the Indian govern-
ment’s brutal military attack on the Golden
Temple and 38 other Sikh temples through
Punjab, from June 3-6, 1984. More than 20,000
Sikhs were known as “Operation Bluestar.”
These martyrs laid down their lives to lay the
foundation for Khalistan. On October 7, 1987, the Sikh Na-
tion declared its homeland, Khalistan, inde-
pendent.

“We thank all the demonstrators who came to
this important protest,” said Dr. Gurmit Singh Aulakh, President of
the Council of Khalistan. “These martyrs gave their
lives so that the Sikh Nation could live in freedom. We
salute them on Khalistan Martyrs’ Day,” he said.

“As Sant Bhindranwale said, the Golden Temple
attack laid the foundation of Khalistan.”

Sikhs ruled Punjab until 1849 when the
British conquered the subcontinent. Sikhs
were equal partners during the transfer of
power from the British. The Muslim leader
Jinnah got Pakistan for his people, but the Sikh leader-
ship was foiled by the Hindu leadership who claimed
the “glory of freedom” in Northwest India and the Sikhs
took their share with India on that promise.

No Sikh representative has ever signed the
Indian constitution. Recently, former Senate Majority Leader
George Mitchell (D-Me.) said, “The essence of democracy is the right
to determine one’s own future.” The minority nations of South Asia
need freedom. “Without political power na-
tions perish. We must always remember
these martyrs for their sacrifices,” Dr. Aulakh said.

“The best tribute to these martyr-
would be the liberation of the Sikh
homeland, Punjab, Khalistan, from the occu-
ying forces,” he said. “We must be the
only objective,” he said. “We should use the
opportunity presented by the situation in
South Asia to liberate our homeland.”

The Golden Temple attack launched a
campaign of genocide against the Sikhs that
defies India’s claims that it is a democracy.
The Golden Temple attack made it clear
that there is no place for Sikhs in India.

Since 1984, India has engaged in a campaign
of ethnic cleansing in which tens of thou-
sands of Sikhs were murdered by the Indian
civil and police forces and secretly crem-
ated after declaring them “unidentified.”

The Indian Supreme Court described this
campaign as “worse than a genocide.”

General P. Narinder Singh has said, “Punjab is a
police state.” U.S. Congressman Dana Rohr-
abacher (R-Cal.) has said that for Sikhs,
Kashmiri Muslims, and other minorities
“India might as well be Nazi Germany.”

According to a report last year by the
Movement Against State Repression, India’s
civilian prison population has doubled, with thou-
sands of radical political prisoners
are rotting in Indian jails without charge or
trial. Many have been in illegal custody since
1984. In February, 42 Members of the U.S. Congress
sent a letter to Indian Prime Minister
requesting that all of these Sikh prisoners released. MASR report
quotes the Punjab Civil Magistracy as writ-
ing “If we add up the figures of the last few
years the number of innocent persons killed
would run into lakhs (hundreds of thou-
sands).”

Indian security forces have murdered
over 200,000 Sikhs since 1984. According to figures
compiled by the Punjab State Magistracy
and human-rights organizations. These fig-
ures were published in The Politics of Geno-
dice by journalist Javed. India has also
killed over 200,000 Christians in Nagaland
since 1947, over 80,000 Kashmiris since 1988,
and tens of thousands of Tamils, Bolos,
and others. The bulk of these killings (the substi-
urn labelled “Untouchables” as well as in-
digenous tribal peoples in Manipur, Assam
and elsewhere. In March 2000, while former
President Clinton was visiting India, the
Indian government murdered 35 Sikhs in the
village of Chithisingshopura, Kashmir and
tried to blame the massacre on alleged mili-
tants. The Indian media reported that the
police in Gujarat were ordered by the
government to stand by and not to interfere
with the massacre of hundreds of people.

“Guru gave sovereignty to the Sikh Na-
tion,” Dr. Aulakh said. “The Golden Temple
massacre reminded us that if Sikhs are going
to live with honor and dignity, we must have
a free, sovereign, independent Khalistan,” he
said.

PASSING OF W. BAIN PROCTOR, JR.

HON. MAC COLLINS
OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. COLLINS. Mr. Speaker, on June 5th,
Spalding County and the City of Griffin, Geor-
gia lost a dear friend and public servant. W.
Bain Proctor, Jr. tirelessly worked for the bet-
terment of the people of Griffin, serving as a
City Commissioner, County Commissioner,
and as a leader on the Griffin-Spalding
County Recreational Board and the Georgia
State Recreational Board.

Mr. Proctor was a servant of the people in
the true sense of the word. He never regarded
praise for his actions or sought credit, often
working behind the scenes to get the job done.
Bain was a consistent force for positive gov-
ernment action. Often he would call or write to
me to let me know how people in his area felt
about a particular issue. Nothing in that is un-
usual. As Members of Congress, we hear from
hundreds of constituents on a regular basis.
What made Bain’s contacts memorable and
effective was that he seldom tried to influence
your decision on legislation in a particular way,
based on any bias he may have had. He was
simply satisfied to make sure that I knew how
the people of Griffin felt. As such, whenever
he did have a position to advocate, I made
d sure to listen.

In addition to his steady influence on local
public policy, Bain was involved in the more
charitable side of his community, serving on
the boards of the Salvation Army and the
American Cancer Society, he was a member of
the Rotary Club, and a Navy veteran of the
Vietnam War who helped to build a memorial
to the brave men and women who laid down
their lives in that conflict.

Not only did Bain lead by example, he did
a great job of instilling his love of community
and service to those close to him. During
Bain’s funeral, his daughter Heather implored
the filled-to-capacity room to pick up the torch
her father had passed. “On behalf of Dad and
the rest of the family, I ask you to be a part
of this community. Get involved and remain in-
volved. He would not have gone on if he
did not have faith in us,” Heather urged.

Bain Proctor lived a life of silent leadership.
He was a steady force in a turbulent world.
He will be missed by his community, his family,
and by all of us who were close to him. I
thank him and commend him for his efforts
on behalf of the people of Griffin and I thank him for his insights and advice to me as a
lawmaker. I ask God’s blessing on Bain’s family.
during their time of grief, and urge everyone
who hears this to follow Heather’s urging and
pick up Bain’s torch of community service.

MEMORIAL TRIBUTE AND EXTOLL TO THE CITY OF LYNWOOD, CALIFORNIA

HON. JUANITA MILLENDER-McDONALD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Ms. MILLENDER-McDONALD. Mr. Speaker, whereas, the city of Lynwood, California, was incorporated in 1921, when new residents flocked to the area because of its great land and plentiful water; and

Whereas, since Lynwood’s inception, the city has shown tremendous strength in community involvement and has overcome many obstacles that challenged the young city; and

Whereas, in the 1930s, Lynwood faced a devastating earthquake and severe economic hardship during the Great Depression, yet the community was rebuilt, supplying construction jobs for unemployed local citizens; and

Whereas, Lynwood grew rapidly through the economic boom of the 1940s and served as a settling place for returning World War II veterans; and

Whereas, in 1961, Lynwood won the National All-American City Contest and 22 Lynwood schools captured Freedom Foundation Awards; and

Whereas, through the years, Lynwood has grown into a multi-racial, multi-ethnic, and multi-lingual community representative of a diverse United States; and

Whereas, Lynwood was invigorated during the 1990s with many new community developments, including a new state-of-the-art high school, a youth center, and the Rosa Parks Transit Center.

Now therefore, be it recognized that Congresswoman J UANITA M ILLERD-McDONALD proudly recognizes the city of Lynwood, California for the 80th Anniversary of its incorporation and as a flourishing, multi-cultural community that is representative of an increasingly diverse United States.

A TRIBUTE TO COL. ABRAHAM J. TURNER

HON. BENJAMIN A. GILMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. GILMAN. Mr. Speaker, today, I am pleased to recognize the outstanding service to our Nation of Col. Abraham J. Turner, who will be leaving his position with us as Chief of the Army House Liaison Division on June 13, 2002 for assignment as the Assistant Division Commander of the 82d Airborne Division, Fort Bragg, North Carolina. During his tenure here, Abe has distinguished himself as a friend, trusted resource, and an officer who epitomizes the modern American professional soldier.

Abe Turner’s illustrious career as an infantry officer embodies all of the Army’s values of loyalty, duty, respect, selfless service, honor, integrity, and personal courage.

Colonel Turner has demonstrated his outstanding tactical and operational expertise in numerous command and staff positions overseas and in the continental United States. Continually serving in positions of ever-increasing responsibility, the highlights of his career include serving as a company and Battalion Commander; chief, 52d Airborne Division; regimental tactical officer at West Point, commander of the Infantry Training Brigade; and special assistant to the Chairman of the Joint Chiefs of Staff.

Indicative of the quality of Colonel Turner’s leadership, management, and interpersonal skills, was the fact that he was specially selected to serve as the Chief of the Army’s Congressional Liaison Office in the U.S. House of Representatives. As such, he has been responsible for maintaining liaison with 435 Members of Congress, their personal staffs, and 20 permanent or select legislative committees. Over the past year, Abe devoted himself to getting to know over 180 members personally. His dedication, candor and professionalism while serving in this capacity has earned him the reputation of being the best source on Capitol Hill to resolve issues pertaining to the Army.

Upon leaving us, Colonel Turner, already selected and confirmed for promotion to Brigadier General, will return home to the 82d Airborne Division, where he will continue to serve as an Assistant Division Commander. That great All-American Division could not hope for the stewardship of a better leader than Abe Turner.

Accordingly, I invite my colleagues to join in offering our heartfelt thanks to Col. Abraham J. Turner for his years of service. He represents the very best that our great Nation has to offer. We wish Abe and his wife, Linda, continued success and happiness in all of their future endeavors.

HONORING LUTHER KHACHIGIAN

HON. GEORGE RADANOVICH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Luther Khachigian for his many years of service as a board member of the California Grape Rootstock Commission and the California Grape Rootstock Research Foundation. In January, Mr. Khachigian retired from his service on these boards, but remains an active member of the organizations and the agriculture community.

Luther graduated from the University of California, Davis, with a degree in pomology and a minor in viticulture. In 1962, he founded Cal-Western with a one acre nursery and has expanded to a farming and nursery operation, which is now known throughout California’s Great Central Valley. Cal-Western specializes in table grapes, wine grapes, walnuts, and the production of grape rootstock.

Mr. Khachigian has dedicated his time, efforts, and finances to the improvement of more than just the agriculture industry in California. In addition to the Commission and the Foundation, Luther is a member of the College of Sequoias Board of Trustees, the University of California Ag Issues Center, and the University of California, Davis, Foundation.

Mr. Speaker, I rise today to thank Luther Khachigian for his many years of devoted service to agriculture and his participation on the Boards of the California Grape Rootstock Improvement Commission and the California Grape Rootstock Research Foundation. I invite my colleagues to join me in wishing Luther many years of continued success.

IN MEMORY OF MEDAL OF HONOR RECIPIENT GINO MERLI

HON. DON SHERWOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. SHERWOOD. Mr. Speaker, I rise to honor and remember an American hero. World War II Medal of Honor recipient Gino Merli, Mr. Merli passed away yesterday at his home in Peckville, Pennsylvania, at the age of 78. The son of a coal miner, Gino Merli lived a life defined by the words “service” and “sacrifice.”

At a time when America was at war, much like today, Mr. Merli answered his internal call to service and enlisted in the Army, even before graduating from high school. He was a teenage machine gunner in September of 1944, when, in the vicinity of Sars la Bruyere, Belgium, his company was overrun by the superior firepower and numbers of an attacking German force. Private First Class Merli and his assistant gunner resolutely held their position covering the withdrawal of his fellow soldiers and blunting the attack of the enemy.

The night, Pfc. Merli’s command destroyed near his position covering the withdrawal of his fellow soldiers and blunting the attack of the enemy. The night, Pfc. Merli’s command destroyed near his position covering the withdrawal of his fellow soldiers and blunting the attack of the enemy. Mr. Merli feigned death by slumping down aside his assistant gunner and endured many bayonet thrusts to determine if he and his gun crew were out of action. When the Germans moved on, he would jump back to his machine gun and engage the enemy with fire. Throughout the night, Pfc. Merli remained with his weapon and repeated this process several times until daybreak. As morning dawned, the Germans had suffered such heavy losses that 700 surrendered. Pfc. Merli’s commanding officer found him still at his weapon, covered in his assistant gunner’s blood, with 52 enemy dead around his position.

When informed by his commanding officer that he would be recommended to receive the Congressional Medal of Honor, Pfc. Merli stated that his assistant gunner who had made the ultimate sacrifice should be the recipient. He said that his gunner was the “true” hero. Pfc. Merli’s only request was to attend church. This moment defined his courage, integrity and conviction of young Merli. He demonstrated the ability to think under tremendous pressure to fulfill his duty. At its core, courage is the ability to think and act under pressure while realizing the potential costs of your actions. He demonstrated his integrity as he recommended his assistant gunner for our nation’s highest military honor, for the gunner had given his last full measure of life in the execution of his duty. And he manifested his selfless religious convictions as he walked to church to pray for his fellow fallen soldiers and the German soldiers whose lives he had taken.

Last Saturday, the History Channel aired a special on Mr. Merli’s First Infantry Division
know as the Big Red One. I recommend that all in this House take the time to view it. As Mr. Merli recounts the events of that night in Belgium to Roger Mudd, the emotional loss of his assistant gunner, whom Mr. Merli views throughout time as the real hero that night, tears filled up his eyes. Selfless as always, Mr. Merli states that the true hero is the American soldiers who did not come back and gave their lives in the service of their nation.

Upon returning from the war, Gino Merli served our nation's veterans for thirty-four years as an adjudication officer at the Veterans Administration Center in Plains Township, Pennsylvania. Service and sacrifice were the foundations upon which he lived his life. This nation has been truly blessed by men of peace.

Mr. Merli wrote:

Throughout the night Pfc. Merli stayed at his position, covering the withdrawal and the surrender, found Pfc. Merli still at his gun. On the battlefield lay 52 enemy dead, 19 of whom were directly in front of the gun. Pfc. Merli's gallantry and courage, and the losses and confusion that he caused the enemy, contributed materially to our victory.

A RESOLUTION REGARDING THE 55TH ANNIVERSARY OF THE LYNNWOOD CHAMBER OF COMMERCE, CA. AND ITS OUTSTANDING LEADERSHIP FOR LYNNWOOD BUSINESS OWNERS

HON. JUANITA MILLENDER-MCDONALD OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Ms. MILLENDER-MCDONALD. Mr. Speaker, whereas, the Lynwood Chamber of Commerce, California, was founded in 1946, and W.W. Jones, principal of the high school, was elected the first president of the chamber, and Jack Weaver was elected the first secretary; Whereas, 2001 marks the 55th anniversary of the Lynwood Chamber of Commerce, California, an organization that has provided outstanding assistance to its members, helping their businesses thrive; Whereas, the Lynwood Chamber of Commerce, California represents over 1,500 home-based, commercial, industrial, and manufacturing businesses in Lynwood; Whereas, the Lynwood Chamber of Commerce, California hosts important events for business owners, including forums for minority and women business owners and the Annual Legislative Conference, which allows businesses to meet with their elected officials from the local to Federal levels; and Whereas, the Lynwood Chamber of Commerce, California serves the businesses of Lynwood with distinction; and provides important scholarships for children and assists business owners, including minorities and women, to promote their businesses.

FATHERS ARE IMPORTANT

HON. JOSEPH R. PITTs OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. PITTS. Mr. Speaker, I rise today in support of America's fathers.

Mr. Speaker, fathers are important. They're important to our communities, our civic institutions, and to our children. Tonight, 40 percent of American children will go to sleep in a home without their father. Forty million children will see another day come and go without hearing the sound of their father's voice or playing catch with their Dad in the backyard or having their father tuck them into bed. And what's even more sad is that it's not because their fathers went on a business trip or have a late shift. It's because their fathers are gone. And for these children tonight is going to be a lot like last night and may be a lot like tomorrow night. Forty million American children have not seen their fathers in over a year.

Mr. Speaker, being a father has been one of the greatest privileges of my life. Watching my children grow and teaching them right from wrong has given me more joy than I ever thought possible. Just this last year, I became a grandfather for the first time. Watching my son be a father to his son has reconfirmed for me the importance and joys of fatherhood. I salute the many single mothers who work hard to support and care for their children. But, fathers are important. They can't be replaced.

RECOGNITION OF CARL "BRONKO" STANKOVIC

HON. PETER J. VISCLOSKY OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. VISCLOSKY. Mr. Speaker, it is with great pride that I recognize Mr. Carl "Bronko" Stankovic, a proud World War II veteran and dear friend of mine. Bronko has recently brought to my attention an inspirational poem written by his friend Bev Freeman, of Morgan Hill, California, during the Second World War. Bev passed away last year leaving behind not only loved ones but strong friendships forged during the war. After the funeral, Bronko and Bev's daughter, Carolyn Turner, came across a poem written by Bev and two members of his Tank Battalion that embodied the war experience not only for Bronko, but many other veterans.

This poem speaks powerfully to the uncertainty and fear faced by World War II combatants. The emotions it represents rings true with Bronko, and the hundreds of veterans he has shared this poem with. Bev's poem has been copied and given out at reunions since its discovery, and now I would like to share it with the Congress of the United States.

Mr. Speaker, it is with great pride that I submit this untitled poem as a tribute to Bev's tank crew and to the memory of all our lost World War II veterans:

Look, God, I have never spoken to you. But now, I want to say, "Wow do you do?" You see, God, they told me you didn't exist. And, like a fool, I believed all this.

Last night from my turret I saw your sky. I looked then they told me you didn't exist. Had I taken time to see things you made, I'd have known they weren't calling a spade a spade.

I wonder, God, if you'd shake my hand? I know how I feel that spade should and. Funny I had to come to this Hellish place before I had time to see your face!

Well, I guess there isn't much more to say. But I'm sure glad God that I met you today. I guess the hour will soon be here. I'm not afraid since I know you're near.

There's the signal: Well, God, I've got to go. I like you a lot—this I want you to know.
PERMANENT DEATH TAX REPEAL ACT OF 2002

SPEECH OF

HON. BENJAMIN A. GILMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 6, 2002

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 2143, the Permanent Death Tax Repeal Act and I urge my colleagues to lend this measure their support.

This measure would repeal the sunset provision pertaining to the death tax that was included in the comprehensive tax relief legislation passed by Congress in the spring of 2001.

Without passage of today's bill, the death tax provisions, which are gradually phased out over the next 8 years, will revert to 2001 levels in 2011.

The estate tax is an outdated policy that has long outlived its usefulness. Alternatively known as the death tax, this tax was instituted in 1916 to prevent too much wealth from congregating with the wealthy capitalist families in early 20th century America. The law failed in its original purpose, as the truly wealthy are always able to shelter their income with the help of tax attorneys that the middle-class cannot afford.

Instead, as incomes have risen in the past 30 years, the death tax, like so much of the Tax Code, has begun to impact the middle class, especially those with cash poor estates, like small businesses or family farms.

The Congress addressed this problem last year, by providing for a 10-year phase-out of the death tax. However, this structure makes advanced estate planning difficult, especially for those planning for after 2011.

Given this, it makes sense to simply repeal the sunset provisions affecting the death tax after 2010. This measure accomplishes this goal, and I urge my colleagues to join in support.
present for three rollcall votes. Had I been present, I would have voted “aye” on rollcall votes Nos. 220, 221, and 222.

A RESOLUTION PRESENTING A MEMORIAL TRIBUTE TO THE LIFE AND LEGACY OF GERTRUDE SCHWAB

HON. JUANITA MILLENDER-McDONALD OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Ms. MILLENDER-McDONALD. Mr. Speaker, Gertrude Schwab was born in Wilmington, California on November 6, in the year 1926, to Henry and Anna Viereck; she was the fourth of nine children; and Whereas, Gertrude Schwab received her early education at Avalon Elementary and Phineas Banning High School in her hometown of Wilmington, California; and Whereas, Gertrude Schwab married Bill Schwab on March 28, in the year 1945, and from this union were born three sons: Michael, Frank, and David, seven grandchildren, and one great-grandchild; and Whereas, Gertrude Schwab raised her three sons, taking a strong participatory role in their upbringing through PTA, Cub Scouts and numerous other family oriented activities; and Whereas, Gertrude Schwab attended Harbor College in Wilmington, earning her License of Vocational Nursing graduating on the Dean’s list in 1973 enabling her to do the work she loved, caring for those in need at Kaiser Hospital in Harbor City and Harbor General Hospital; and Whereas, Gertrude Schwab dedicated her life to community activism as a volunteer involved in political and social issues and activities essential to the advancement of the community; and Whereas, Gertrude Schwab was appointed by the Mayor of Los Angeles in 1993 to a seat on the Harbor Commission, where she served with dignity and thoughtfulness for the citizens of Wilmington, who are most affected by Port issues; and Whereas, Gertrude Schwab, through her advocacy, made Wilmington a better place to live, touching the lives of countless people, including myself. Now therefore, be it resolved that Congresswoman JUANITA MILLENDER-McDONALD proudly recognizes this woman of dedication, courage, persistence and wisdom and her distinguished service to her community.

MYCHAL JUDGE POLICE AND FIRE CHAPLAINS PUBLIC SAFETY OFFICERS’ BENEFIT ACT OF 2002

SPREE OF HON. CAROLYN B. MALONEY OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 2002

Mrs. MALONEY of New York. Mr. Speaker, I rise today in strong support of this legislation. Our nation’s police and fire chaplains serve their communities each day, often putting their own lives in danger. Tragically, on September 11, 2001, some public safety officers lost their lives responding to the terrorist attack in New York City. One brave man, Father Mychal Judge, died as he was helping victims escape from the chaos. Unfortunately, his family and the families of nine other public safety officers are not eligible for federal death benefits. This legislation would change that policy. While no amount of money will ever replace what their families have lost, we owe it to them to do whatever we can to ease any financial hardship. I urge my colleagues to support this legislation and to recognize the bravery of all public safety officers.

IN HONOR OF RESCUE HOOK & LADDER CO. NO. 1

HON. GARY L. ACKERMAN OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. ACKERMAN. Mr. Speaker, I rise today to commemorate the officers and members of Rescue Hook & Ladder Co. No. 1 of Roslyn. This year, Rescue Hook & Ladder Co. No. 1 will celebrate its 150th anniversary, making it one of the oldest fire companies in the State of New York.

Rescue Hook & Ladder Co. No. 1, since the introduction of its Charter by the Assembly of the State of New York in 1866, has shown heroic dedication to the Roslyn community. It is this uniriting commitment at the moment of utmost danger that has forever unified Rescue Hook & Ladder Co. No. 1 with the families it so ably protects. Moreover, the officers and members of Rescue Hook & Ladder Co. No. 1 are proud of their legacy and achievement within the Roslyn community. They are committed to maintaining their reputation for only the highest standards long into the future.

To the officers and members of Rescue Hook & Ladder Co. No. 1 and to the memory of all the fallen firefighters, who sacrificed their lives to preserve our freedom during the terrorist attacks of September 11, I ask my colleagues to join me in commemorating this historic anniversary.

PARTICIPATING IN BLUE STAR SERVICE PROGRAM

HON. ROB SIMMONS OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. SIMMONS. Mr. Speaker, I rise today in support of the U.S. Armed Forces and the recognition of their services by emphasizing the importance of an American tradition, known as the Blue Star Banner Program. I would also like to take a moment to praise the American Legion for their tireless role in promoting traditions such as this and their endless support of veterans throughout the years.

The service banner has had a long history in the United States dating back to World War I. These banners were displayed in communities across the nation in homes, businesses, churches and schools as an indication that a member of a family or organization was serving in the U.S. Armed Forces. The blue stars of these banners were replaced with gold stars as service-members were killed or died as a result of war-time injuries.

These banners saw their popularity peak during World War I and World War II, but have also been seen during the Korean War, Beirut, Grenada, Panama, Persian Gulf, Somalia, Bosnia and Saudi Arabia conflicts. It is time again, to show our support for the U.S. Armed Forces. America has found herself at a time of war due to the events of 9/11. As a result, our nation has been called once again to defend and uphold the moral obligations of freedom and democracy. The need for patriotism, a shared national unity and purpose directed at our common enemy, has never been clearer.

I strongly encourage all Members of Congress to honor their constituents by participating in the Blue Star Service Banner Program. Contact your local American Legion Office and encourage your media to promote this program and let the public know that this program is still strong. Let’s do everything we can to stand behind the men and women who are fighting for America.

LEGISLATION RESTORING FIRST AMENDMENT PROTECTIONS OF RELIGION AND RELIGIOUS SPEECH

HON. RON PAUL OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. PAUL. Mr. Speaker, I rise today in support of the U.S. Armed Forces and the recognition of their services by emphasizing the importance of an American tradition, known as the Blue Star Banner Program. I would also like to take a moment to praise the American Legion for their tireless role in promoting traditions such as this and their endless support of veterans throughout the years.

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I have been given the opportunity to honor several constituents who are serving in the Armed Forces. These men are Jason Tinelle, who currently serves in Bosnia as an infantry Platoon Sergeant, and TM1 Richard Messick, who currently serves aboard the USS Hartford. On behalf of the American Legion and a grateful nation, I presented the Blue Star Banner to their families and children as a symbol of their loved ones’ endless dedication and sacrifice for patriotism and freedom.

I strongly encourage all Members of Congress to honor their constituents by participating in the Blue Star Service Banner Program. Contact your local American Legion Office and encourage your media to promote this program and let the public know that this program is still strong. Let’s do everything we can to stand behind the men and women who are fighting for America.

CONGRESSIONAL RECORD — Extensions of Remarks
June 13, 2002
phrase taken out of context from a letter written by Thomas Jefferson to the Danbury Bapist on January 1, 1802. In the letter, Jefferson simply reassures the Baptists that the First amendment would preclude an intrusion by the federal government into religious matters between denominations. It is ironic and sad that a letter defending the principle that the federal government must stay out of religious affairs should be used two hundred years later to justify the Supreme Court telling a child that he cannot pray in school.

The Court completely disregards the original meaning and intent of the First amendment. It has interpreted the establishment clause to preclude prayer and other religious speech in a public place, thereby violating the free exercise clause of the very same First amendment. Therefore, it is incumbent upon Congress to correct this error, and to perform its duty to support and defend the Constitution. My legislation would restore First amendment protections of religion and speech by removing all religious freedom-related cases from federal district court jurisdiction, as well as from federal claims court jurisdiction. The federal government has no constitutional authority to reach its hands in the religious affairs of its citizens or of the several states.

As Jefferson said, “There are more instances of the abridgment of the freedom of the people by the gradual and silent encroachment of those in power, than by violent and sudden usurpation.” I sincerely hope that my colleagues will fight against the “gradual and silent encroachment” of the courts upon our nation’s religious liberties by supporting this bill.

IN PRAISE OF SPECIAL AGENT GERALD B. ALEXANDER

HON. FRED UPTON
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. UPTON. Mr. Speaker, Special Agent Gerald B. “Jerry” Alexander recently retired after 26 years of service to the communities of Southwest Michigan. An employee of the Federal Bureau of Investigation (FBI) and assigned to the Kalamazoo field office, Jerry was an asset to the community that will sorely be missed.

A graduate of American University, Jerry boasts an impressive law enforcement record both in the United States as well as the world at large. Dedicated, intelligent, and responsible, Jerry is a well-rounded law enforcement official with experience working on numerous case files. Jerry specialized in white collar crime, an area of law enforcement that he found especially challenging and prevalent in our corner of the state of Michigan. His impressive talents and exemplary work ethic are just two of the qualities that come to mind when recalling Jerry’s work with the Bureau.

A strong community man, Jerry spent much of his free time as a volunteer in the Kalamazoo area. His service as a coach and manager for the West Portage Little League will not be forgotten by the countless youngsters who enjoyed a rewarding athletic experience. Jerry’s love for children also led him to take an active role in the Portage Central High School Band, which he supported in numerous fundraisers.

I would like to take this opportunity to echo the respect and admiration Jerry Alexander has gained within the communities of Southwest Michigan. His personal qualities and numerous skills are certain to facilitate success in all of his future endeavors.

HONORING FRANCES BACA ON LAND DONATION TO SANTA FE NATIONAL FOREST

HON. TOM UDALL
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. UDALL of New Mexico. Mr. Speaker, I rise today to announce the Santa Fe National Forest has received a donation of approximately 154 acres of private land from Ms. Frances Baca, of Circleville, Ohio. This undeveloped forested land has been in the Baca family for over 50 years. The Baca property was the last remaining private parcel of land in Santa Fe Canyon located within the boundaries of the Santa Fe Municipal watershed, just east of the City of Santa Fe.

Ms. Baca inherited the parcel from her mother, Antoinette Hanna Baca—the first woman commissioned Officer in the National Guard and lawfully appointed Assitant Adjutant General—who owned a larger parcel in the watershed but sold part of it to the renowned artist Randall Davey. Eventually, Randall Davey left his property and houses to the Audubon Society—which uses the facility as a conference and education center.

After this donation, either the City of Santa Fe or the United States of America own all of the lands within the watershed. With the recent release of the Santa Fe Municipal Watershed Management Plan to improve forest conditions through thinning and burning portions of the municipal watershed, having access to this property is considered key to the successful implementation of the project.

Among the most valuable assets in northern New Mexico are its deep-rooted culture and pristine beauty. Together, they are a large part of why general and active generation has chosen to live here and why new neighbors arrive every day. This new land will only add to those treasures.

I know how grateful the Santa Fe National Forest Supervisor Leonardo Atencio is for this generous donation. I, too, want to thank Ms. Baca for this unprecedented gift on behalf of all New Mexicans and visitors to the Land of Enchantment. This land will forever serve as a testament to the legacy of your family and symbolizes the special connection that our citizens feel to the land.

TRIBUTE TO VICTOR WAHBY, MD, DIRECTOR OF THE VA-MEDICAL MUSICAL GROUP

HON. TOM LANTOS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. LANTOS. Mr. Speaker, I rise to pay tribute to a distinguished and unique individual—Victor S. Wahby, M.D., Ph.D., founder and director of the VA-National Medical Musical Group, the largest medical chorale and symphony orchestra in America. The musicians of this award-winning group are healers and medical clinicians, scientists or medical administrators by profession, but they are all also extremely talented and well-trained musicians. They embrace Dr. Wahby’s vision of “music that heals.”

A renaissance man, Dr. Wahby is a physician, scientist, musician, poet, and a leading medical practitioner and administrator at the Veterans’ Health Administration in Washington, D.C. Dr. Wahby has had an extraordinary career. In his younger years, at the Mayo Clinic, he provided critical medical care to such notables as the Rev. Billy Graham, Dr. Charles Malik and Corrie Ten Boom. Subsequently, while on faculty of Yale University, he published research on the hormonal correlates of depression and appetite. In his current position as a leading VA physician-executive, he has received many national recognitions. Just this year he and his team won the prestigious Government Executive Technology Award, the e-gov Pioneer Award, the Knowledge Management World Award, as well as numerous others.

Mr. Speaker, in 1996 Dr. Wahby and the VA-National Medical Musical Group initiated a unique patriotic event that has become an annual tradition here on Capitol Hill—the Congressional Flag Day Concert. This program of word and music is sponsored by the prayer breakfast organizations of the House of Representatives and the Senate. It is held on or around Flag Day (June 14) for the past six years. The seventh in this annual concert series will take place tomorrow, June 13, at 1:00 p.m., in the Cannon Caucus Room.

The Congressional Flag Day Concerts have been embraced by members of both houses of the Congress and their staff, and it has enjoyed wide public support and strong media interest. Many leaders from different fields and varied backgrounds have endorsed and participated in this program, which emphasizes national healing and unity. I have personally had the honor of participating in several of these concerts, and I always come away entertained, refreshed and inspired.

The 2002 Concert Honorary Committee is chaired by First Lady Laura Bush, and the vice chairs are my wife, Annette, and Mrs. Patricia Lott, the wife of Senate Minority Leader Trent Lott. Others who serve on the committee include Lynne Cheney, former Senator Bob Dole, Dr. Henry Kissinger and other distinguished Americans.

Mr. Speaker, these Flag Day Concerts have emphasized the honoring of America’s veterans and the men and women serving in our nation’s armed forces. This year, the choir and orchestra will perform the “Veterans Hymn”—composed by Dr. Wahby.

It is a tribute to the energy, enthusiasm, patriotism, and showmanship of Dr. Wahby that the VA-National Medical Musical Group has been awarded the 2002 Congressional Medal of Honor Society’s Bob Hope Award.

Mr. Speaker, I invite my colleagues to join me in paying tribute to Dr. Victor Wahby for his service to our nation and for his outstanding leadership and dedication to healing through music and through music. And, Mr. Speaker, I invite my colleagues and the staff to join me tomorrow afternoon in the Cannon Caucus Room for the 2002 Annual Flag Day Concert.
HONORING THE RETIREMENT OF REVEREND ROBERT SOUDERS OF ST. MATTHEW UNITED METHODIST CHURCH IN BELLEVILLE, ILLINOIS

HON. JERRY F. COSTELLO OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in recognizing the retirement of the Reverend Robert Souders of St. Matthew United Methodist Church in Belleville, Illinois.

Reverend Robert Souders, Senior Pastor, came to Belleville in 1955 as a pastor of Zion, Marlow and Liberty Methodist Churches in Belleville, Illinois.

St. Matthew United Methodist Church in Belleville, Illinois, has grown physically and spiritually under the leadership of Reverend Souders. For many years the church has had one of the finest youth ministries in the area. The bus and senior citizen's ministry has been exemplary and many churches have sought ideas and information from Reverend Souders to enhance their programs. The music ministry continues to be one of the most well known in southern Illinois. Since his actual coming, many souls have been won. He began in 1965 with 99 members with the representation church exceeding 1300 members. Reverend Souders has been a leader in the evangelism work of the United Methodist Church and in June 1990, was a recipient of the prestigious "Harry Denman Evangelism Award".

The New Life Club began in 1972 as an outreach to senior adults in the area. They have traveled many miles from Southern Illinois to Canada, Nova Scotia and Europe. The St. Matthew Day Care was formally established on August 27, 1972 and continues to provide a needed ministry in the community to provide a place of safety where children are cared for and grow in body, mind and spirit. A Thrift Shop was established in 1976 and continues to serve the needs of many through the generous donations of the congregation. In October 1978 and in March 1979, two apartment complexes, each with 17 units, were opened for senior citizens.

The Mission Society for the United Methodist Church was established in 1984 with Reverend Souders as one of the organizers. Over 125 fully funded missionaries now serve on the mission field in various parts of the world. Reverend Souders has served on the Belleville Memorial Hospital Board of Directors since December 20, 1983. During this time, he also served on the following committees: Buildings and Grounds, Hospital Human Resources, Planning and Convalescent Home Care.

Reverend Souders and his wife, Beverly will be married 47 years on December 17, 2002. They have three children; Michelle, Gregory and Shauna. Michelle and Jerry Haynes live in Tennessee with their four children; Joshua, Courtney, Jonathan and Tucker. Greg and Brenda Souders reside in Belleville, Illinois with their three daughters; Cara, Kimberly and Jessica. Shauna and Tony call Arizona home with their sons, Nicholas and Jared and daughters Raene, Lauren and Neaville.

Mr. Speaker, I ask my colleagues to join me in honoring the service of Reverend Robert Souders to the community and to congratulate him upon the occasion of his retirement and to wish him and his family the very best for the future.

IN THE FOOTSTEPS OF LEWIS & CLARK: A STUDENT EXPLO- RATION OF ECOLOGY, HISTORY & GEOGRAPHY OF THE EXPEDITION

HON. RAY LAHOOD OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. LAHOOD. Mr. Speaker, on Sunday, June 16, 2002, a group of nineteen students and five teachers from Jacksonville High School in Jacksonville, Illinois are embarking on a journey that will follow the footsteps of Lewis & Clark. The students will be focusing on environmental ethics, ecology, geography and historical issues. Throughout their seven-teen-day journey through the Dakotas and Montana, the students will meet with historians and biologists to discuss the impact of humans on this land since the early 1800's. Following their trip, the students and teachers will be presenting their historic environmental journey to schools and community groups. The group plans on presenting their findings during the following year leading up to the bicentennial commemoration. These young people are to be commended for embarking on this educational venture. I will help them understand the scientific and geographic research done by Lewis and Clark, and as well as challenging them to use the skills they have acquired during their studies. I am proud to name these young adventurers among my constituents: Michael Meyer, Kelsey Mason, James Milton, David Mosley, LeAnn Shearburn, Sam Dimmick, Aaron Evans, Jaclyn Verticchio, Caliean Bailey, Thomas Baulos, Toni Brooks, Janeym Davidsmeier, Andrew Massey, Bridgett Hubbartt, Adam Phillips, James Rice, Janet Clayton, Erica Kemple, and Jonathan Fox. The teachers accompanying these fine students are as follows: Jim Herget, Jim Chelsvig, Heather Beavers, Travis Brockschmidt, and John Lawless.

PERSONAL EXPLANATION

HON. BOB RILEY OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. RILEY. Mr. Speaker, I was unavoidably detained for Rollcall No. 221, H. Con. Res. 394, expressing the Sense of the Congress Concerning the 2002 World Cup and Co-Hosts Republic of Korea and Japan. Had I been present I would have voted yea.

I was also unavoidably detained for Rollcall No. 222, H. Con. Res. 213, expressing the Sense of the Congress regarding Refugees who are Detained in China and Returned to North Korea Where they Face Torture, Imprisonment, and Execution. Had I been present I would have voted yea.

I was also unavoidably detained for Rollcall No. 233, H. Con. Res. 380, extending the appropriate extension of time to the Honorable Harry F. Kasten, Jr., to present a bill.

I was also unavoidably detained for Rollcall No. 234, H. Res. 438, extending the appropriate extension of time to the Honorable John D. Dingell, to present a bill.

I was also unavoidably detained for Rollcall No. 235, H. Res. 440, extending the appropriate extension of time to the Honorable James Oberstar, to present a bill.

I was also unavoidably detained for Rollcall No. 236, H. Res. 441, extending the appropriate extension of time to the Honorable Dwight Goodole, to present a bill.

I was also unavoidably detained for Rollcall No. 237, H. Res. 442, extending the appropriate extension of time to the Honorable James Oberstar, to present a bill.

I was also unavoidably detained for Rollcall No. 238, H. Res. 443, extending the appropriate extension of time to the Honorable James Oberstar, to present a bill.
only earn $13,520 a year before taxes working a full-time minimum wage job and not receive TANF benefits because the minimum wage—$6.50/hour in Oregon—is too high to qualify. This is nowhere near the federal estimate of a living wage for a family of three of $34,429 (or $16.55/hour). The Republican proposal doesn’t even address how Oregon can resolve this disparity. Instead, they leave it to each state to address. Oregon is drastically cutting social service programs in order to deal with a near billion dollar deficit. I can’t imagine the state will find resources to deal with this issue.

Equally important is the amount of time TANF recipients spend at work activities and the quality of these activities. I’m concerned about proposals advocating 40 work hours per week, either implicit or explicitly stated, that will push recipients into “workfare” programs that fail to increase earnings or opportunity. Forty hours of direct work is unrealistic for most TANF recipients because of the other support programs—like training, job search assistance, counseling—that recipients need to participate in.

Education, training and ensuring a living wage are only part of a successful plan to allow recipients to become more self-sufficient. Many working mothers depend on child care. Tenant-based Housing Assistance payments are a primary purpose of Exchange’s service club. From their earliest days, the Exchange Club has used resources to serve Alton and America as a whole, thus enhancing the lives of countless men, women and children across the country. In a very real sense, the Exchange Club exists for the simple purpose of serving others.

The Exchange Club philosophy of service addresses Americanism, Community Service and Youth and Child Abuse Prevention as national programs. America’s young people are its most precious natural resource. That is why for many years Exchange has sponsored an impressive selection of activities designed to benefit and encourage area youth. In Alton, the Exchange Club promotes the Basketball Player of the Year program.

In addition to developing youth and programs, promoting pride in country, respect for the flag and appreciation of our freedoms are primary purposes of Exchange’s Americanism programs. The Alton Exchange provides flags for children during parades and other patriotic activities for young people in the community. The Exchange promotes patriotism by donating 8,000 to 10,000 flags annually for children and bystanders in the annual Memorial Day parade.

The Exchange Club is also responsible for the installation and placement of the Freedom Shriners many of us see in our public places. The Shrines is an impressive, permanently mounted collection of 28 of the most important and historic American documents including the Declaration of Independence, the Constitution of the United States and the Gettysburg Address. These documents serve as windows to the world of America’s proud past. They show our nation’s youth the strength and courage of their forefathers by allowing them to read, with their own eyes, the immortal words of inspired Americans who so decisively changed the course of natural resource. The Shrines are an outstanding community service program.

Finally, I’m concerned that the TANF block grant of $16.5 billion to states has not even increased with the rate of inflation since it was instituted in 1997. By 2007, the block grant will lose nearly 22 percent of its value. This needs to change.

I urge my colleagues—especially those
across the aisle—to pursue responsible reforms that offer a hand up, rather than a hand out; that offer a real chance of reducing pov-
perty, not just caseloads.

HONORING THE EXCHANGE CLUB OF ALTON, ILLINOIS AND THEIR 75TH ANNIVERSARY

HON. JERRY F. COSTELLO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in recognizing the Seventy-Fifth Anniversary of the Alton Exchange Club.

Exchange is known to millions as America’s service club. From their earliest days, the Exchange Club has been usefully serving the Alton area and improving the quality of life for the Alton community. The array of Exchange-sponsored programs and projects has made a considerable impact on both the Alton area and America as a whole, thus enhancing the lives of countless men, women and children across the country. In a very real sense, Exchange exists for the simple purpose of serving others.

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JAMES WILLIAM SMITH-BETSILL

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. COYNE. Mr. Speaker, I rise today to note the passing of a distinguished public servant and an important player in the civil rights struggle. Mr. James William Smith-Betsill died in Harrisburg recently at the age of 67 after a period of illness. He was a remarkable individual.

Mr. Smith-Betsill was an outstanding athlete, who earned a college basketball scholarship, was twice named a small college All-American—averaging more than 20 rebounds per game—and was drafted to play for the Boston Celtics in 1958. Unfortunately, his professional basketball career was derailed by the development of knee problems during his service in the U.S. Army from 1958 to 1960. But his athletic achievements pale in comparison to his other accomplishments.

Mr. Smith-Betsill pursued a career in public service that lasted for more than 30 years. In the 1960s, he trained volunteers and managed redevelopment projects in the Hazelwood neighborhood. He also trained people to take part in union apprenticeship tests. Finally, in the 1960s, he trained volunteers and managed redevelopment projects in the Hazelwood neighborhood. He also trained people to take part in union apprenticeship tests. Finally, as the western regional director of the Pennsylvania Bureau of Corrections Education, he worked for many years to provide inmates with better educational opportunities.

In addition, Mr. Smith-Betsill has a long, proud record as a community activist in Wilkinsburg and Hazelwood. He worked hard for many years, at significant personal risk, to desegregate local unions. Mr. Smith-Betsill also was credited with keeping the peace in Hazelwood when riots raged in Pittsburgh in 1969. Mr. Smith-Betsill’s many contributions to his community are widely recognized and appreciated.

Mr. Smith-Betsill will be fondly remembered and sorely missed. I want to extend my condolences to his family and friends.
Mr. SMITH-BETSILL, 67, was diagnosed with leukemia in February and died May 5 at Harrisburg Hospital of a viral infection.

Mr. Smith-Betsill was born James Betsill in 1935 in Harrisburg, son of the late Lee Betsill and Hulda Betsill (née Huzma at Steubenville and became a two-sport star at Franciscan University. He played basketball for the College of Steubenville, now Franciscan University.

Mr. Smith-Betsill played for coach Hank Husza at Steubenville and became a two-time small college All-American. He averaged more than 20 rebounds per game throughout his career and his 2,427 career rebounds is believed to be an NAIA record.

He was drafted in the second round of the 1958 NBA draft by the Boston Celtics. But he never played for the team because he also got drafted into the Army.

He continued his basketball career in the Army and toured Europe and the United States as a member of the All-Army team. But he developed knee problems and after he was discharged in 1960, he failed tryouts with the WPIAL basketball team. He also was an active member of the Macoupin County Unit and became a two-sport star at Steubenville.

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also, a member of the Kwanis and Tuscaloosa Reunion Clubs.

As a devoted servant at Brown Memorial Presbyterian Church, he was installed an elder and very active in work of the Men of the Church, the Endowment Committee, and the Trustee Board.

In his last years of life, Dr. Dansby served his community by providing free dental services to those who could not afford to pay and helped in anyway he could to serve his various schools of matriculation and local organizations.

Dr. William Nathan Dansby passed away on Thursday, June 6, 2002 and will be laid to rest today in Tuscaloosa, Alabama. He was preceded in death by his parents, William L. Dansby and Porcia Dorcette Canty Dansby, and his sister, Sarah Dansby Pinkney. He is survived by cousins, Theodora Dansby Johnson of Florida, Sondra Brown Julien of Florida, and his family. He leaves to cherish his memory a devoted family whom he adopted as his own, William and Elizabeth Rice of Aliceville and their three daughters: Mechelle Benidia, and Portia.

As he is grieved, his family and friends know that his spirit has returned to God and that he is smiling down upon the world. Mr. Speaker, I ask all Members to join me in paying tribute to him this remarkable man.

HONORING PROFESSOR JERRY WOODALL, ON HIS RECEIPT OF THE NATIONAL MEDAL OF TECHNOLOGY

HON. ROSA L. DELAURO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Ms. DELAURO. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to Dr. Jerry Woodall of Yale University in my hometown of New Haven, Connecticut. Dr. Woodall was recently honored with the National Medal of Technology in recognition of his outstanding work in semiconductor materials and devices. The National Medal of Technology was created to recognize those who embody the spirit of American innovation and have advanced the nation’s global competitiveness. As one of only 120 individuals bestowed with this distinction, Dr. Woodall most-deservedly belongs among Connecticut’s long legacy of innovators, like Eli Whitney and Igor Sikorsky.

It is no overstatement to say that, in a remarkable career that has spanned four decades, Dr. Woodall has truly expanded America’s horizons through his groundbreaking advances in electrical engineering and physics. Half of the entire world’s annual sales of compound semiconductor components would simply not be possible without his legacy of research. Technology used in CD players, TV remote controls, computer networks, cell phones, and satellites can be credited to Dr. Woodall as well as advances in the use of lasers and ultra-fast transistors and solar cells. What’s more, Dr. Woodall’s work will provide the basis for technological innovations for decades to come. Few can claim such a legacy.

Dr. Woodall’s dedication and commitment to excellence have made a real difference in the quality of life of all Americans. I am honored to rise today to pay tribute to Dr. Jerry Woodall and to join with our nation in congratulating him as he is honored as a 2001 Medal of Technology laureate.

ON THE CREATION OF THE DEPARTMENT OF HOMELAND SECURITY

HON. ALCIE L. HASTINGS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. HASTINGS of Florida. Mr. Speaker, I rise today in support of the creation of a new cabinet-level federal Department of Homeland Security. This long-overdue initiative, designed to streamline current government activities, is an important first step in our nation’s war on terrorism.

In October of last year, I introduced H.R. 3078, to establish the National Office for Combating Terrorism. It included an initiative to develop policies and programmes to prevent, deter and respond to terrorism, and for the consolidation of federal, state, and local government programs. I am pleased to see that the Administration is incorporating my ideas, along with those of my colleagues, into a comprehensive plan to streamline the workings of the Executive Branch.

The new Department will have four separate divisions to deal with threats to our nation. Within each division, the missions and functions that are currently spread out amongst a dizzying array of federal agencies will be consolidated to avoid duplication and redundancy, and to ensure that the Executive Branch of government actually supports the tax payers who support it.

The concept of consolidating the efforts of federal, state, and local agencies is not a new one. I recently introduced H.R. 4754, the National Drought Preparedness Act. My legislation will bring together representatives from federal and state agencies to create planning models and preparedness plans, in much the same way that the new Department of Homeland Security would operate. I applaud this important initiative and urge my colleagues to work towards quick passage of legislation for the creation of this new Department.

EDWARD A. MOHLER: A CHAMPION FOR WORKING MEN AND WOMEN

HON. STENY H. HOYER
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. HOYER. Mr. Speaker, today I want to pay tribute to a trusted, long-time friend who, for nearly half a century, has been a true champion for working men and women. Edward A. Mohler was hired as a cable splicer in 1957, and has helped organized labor’s policy agenda but also strengthened its administration. For example, Ed believed that the interests of working men and women would be much better served if the state federation maintained a permanent presence in Annapolis. As a result, the state federation moved from rental space in Baltimore to its current headquarters at the House of Labor on School Street in Annapolis, providing Maryland workers with both convenience to the State Capitol and prestige.

But, then, Ed always understood that the cause of organized labor—ensuring workplace fairness and social justice—could best be advanced through our political system. After being hired as a field agent in 1957, Ed joined the Communications Workers of America, Local 2336, and immediately plunged into union activism and political campaigning. He has worked in political campaigns on behalf of Democrats at the local, state, and national levels, including the presidential campaigns of John Kennedy, Lyndon Johnson, Robert Kennedy and Hubert Humphrey.

More recently, Ed was elected to serve as a delegate at the Democratic National Conventions in 1992, 1996 and 2000. Throughout the 1960s and 1970s, Ed was immersed in union activities and political campaigns that advanced the interests of working men and women. He was elected as chair of political activity for CWA, Local 2108, and served as chair of the Committee on Political Education (COPE) for the Washington Metropolitan Central Labor Council.

Between 1968 and 1977, the year in which he was elected Secretary-Treasurer of the state federation, Ed worked as an organizer, legislative agent and staff representative for AFSCME International and Council 67. In that capacity, he conducted numerous organizing campaigns and was a strong advocate for public employees, beginning the fight for collective bargaining rights for state and higher education employees.

While working men and women have been the subject of many harsh, unthinking attacks over the years, Ed Mohler has always recognized that the immutable truths that lie at the
core of the American labor movement—fairness, justice, dignity and morality—never go out of fashion.

And that's a tremendous professional legacy to leave for this and future generations of workers.

As Samuel Gompers, the first president of the American Federation of Labor, said more than 100 years ago:

"To protect the workers in their inalienable fights to a higher and better life; to protect them, not only as equals before the law, but also in their health, their homes, their fire-sides, their liberties as men [and women], as workers, and as citizens; to overcome and conquer prejudices and antagonism; to secure to them the right to life, and the opportunity to maintain that life; the right to be full sharers in the abundance which is the result of their brain and brawn, and the civilization of which they are the founders and the mainstay. . . . The attainment of these is the glorious as mission of the trade unions."

Ed Mohler has helped keep that “glorious mission” on course for nearly half a century, bettering the lives of working men and women.

For that, we offer our heartfelt thanks, and wish him and his family the very best in the years to come.

HONORING THE VILLAGE OF MAEYSTOWN ON THEIR 150TH ANNIVERSARY

HON. JERRY F. COSTELLO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in recognizing the 150th Anniversary of the Village of Maeystown, Illinois.

The Village of Maeystown, Illinois is located just eight miles south of Waterloo in Monroe County, Illinois and is celebrating its 150th An- niversary as a Village this year.

The town, founded in 1852, was placed on the National Register of Historic Places in 1978 for significance in architecture and engineering. Since that time the small community of approximately 150 residents has become a popular site for visitors to the area. Its historic distinction, as well as a progressive organization called the Maeystown Preservation Society, has brought new life to the once-dying community.

The village has a periodic newspaper called the Maeystown Volksblatt. Maeystown has its own water system and is governed by a village board and mayor. Maeystown has a growing business community, including The Corner George Bed and Breakfast, Corner George Inn Sweet Shoppe, Eschy’s Village Inn, Maeystown General Store, Raccoon Hollow Handcrafts, KW Outdoor Wear, T. Walster of Maeystown (custom doors and windows), The Maeystown Nature Walk is operated year round for donations.

Although Maeystown’s population continues to be small, people from throughout the area support Maeystown’s many activities. These events, like the Oktoberfest, a German pancake and sausage dinner Tuesday before Ash Wednesday; Fruhlingfest, a spring craft festival, first Sunday in May; Oktoberfest, an art and crafts fair, second Sunday in October and a German Christmas, on the first Sunday in December.

(The following is taken from “The Significance of the Village of Maeystown, Illinois” by Gloria Bundy.)

"The picturesque village of Maeystown, nestled in the hills and among the spring-fed streams in one small spot of Southern Illinois was founded in 1852 by Jacob Maey, who was born in Oggersheim, Bavaria, in 1828. Although the village was founded in 1852 and settled entirely by German immigrants of the Forty-Eighter movement, its historical signif- icance begins in 1782, at the time of the Moore settlement at La Belle Fontaine, at what is now Waterloo, Illinois.

Captain James Moore, a native of Maryland, was a soldier under George Rogers Clark and was with him at Kaskasika when he captured the Illinois Country for Governor Patrick Henry, making it a county of Virginia. Having seen the advantages of the Illinois Country, he returned with his family and four other pioneers and their families and settled in 1781 in Kaskasika. In 1782, Moore and his party moved northward on the Kaskasika Trail and settled at a place the French called La Belle Fontaine because of the beautiful spring there. This was the first permanent American settle- ment made in the Kaskasika Territory.

Other pioneers subsequently followed, stop- ping briefly at the Moore settlement until they staked claims for themselves elsewhere. One such young pioneer was James McRoberts, a Revolutionary War Soldier, who joined the Moore party and their stated claim of 100 acres (Survey 704; Claim 316), which he re- ceived for an improvement right. He left his claim, went to Tennessee, where he married Mary Fletcher-Harris and came back to Mon- roe County in 1797, receiving another 100 acres, presently owned by Mr. and Mrs. Halbert Mueller (Survey 703; Claim 315), from the government as a militia donation. This claim was about one mile north of the first one. It was on the second claim that he built his dwelling out of cedar logs. Here his ten children were born. Samuel, the eldest, “was the first native of German extraction to be born in the United States Senate.”

Following the elder McRoberts’ death in 1844, his Survey 704; Claim 316, now known as the McRoberts’ Meadow, was sold and re- sold in rapid succession. It was a hilly, wood- ed tract of land, not suitable for cultivation. It contained three streams and a large spring, with limestone deposits protruding out of the hillsides and along the creek banks.

In 1848, Jacob Maey purchased the Meadow from James 0. Hall because of the large spring. Young Maey intended to use the waterpower from the spring to run a saw- mill. Here he built his log house to which he brought his bride, Barbara Fischer, also a na- tive of Germany.

Purchasing these 100 acres was very timely, as it was just when the Forty-Eighters were coming up the Mississippi River from the port of New Orleans, stopping briefly at St. Louis and then spreading by the thousands into the surrounding areas of Missouri and Illinois.”

The people of Maeystown are extremely proud of their German heritage and love to talk of the history of the town Structures that dot the community. The German ancestry of the town originally existed because of the craftsmen that came to settle in the area.

There was a cobbler, a shoemaker, blacksmith, tailor and an undertaker. The stone structures that dot the community were built by the German immigrants along the bluffs in a manner similar to Bavarian Stone houses in their native Germany. About 60 significant buildings still exist including Maey’s log house, the original church, the mill and the various limestone buildings.

Maeystown today continues as a vibrant, historic community hosting thousands of visi- tors each year to walk among its historic areas and enjoy the hospitality of its people.

Mr. Speaker, I ask my colleagues to join me in honoring the 150th Anniversary of the Vil- lage of Maeystown, Illinois and to congratulate all of their past, present and future residents with the historic achievement.

A SPECIAL TRIBUTE TO MIRIAM H. FETTERS ON HER FORTIETH AN- NIVERSARY WITH THE SOCIAL SECURITY ADMINISTRATION

HON. PAUL E. GILLMOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. GILLMOR. Mr. Speaker, I rise today to pay special tribute to an outstanding public servant. Miriam H. Fetters will celebrate forty years of public service with the Social Security Administra- tion on Tuesday, June 18, 2002.

Mr. Speaker, Miriam began her career of exemplary service with the Social Security Ad- ministration on June 18, 1962 in Cincinnati, Ohio serving as a Claims Representative. Miri- am was then transferred to the Lima, Ohio of- fice where she served as a Field Representa- tive, Operations Analyst, Operations Super- visor, and finally Assistant District Manager. Throughout her career, Miriam has continually provided the highest level of assistance to the Lima service area and to the team of staff members with whom she works.

Miriam continues to lead a distinguished ca- reer as a public servant, which is made evi- dent through the numerous awards she has received for meritorious service. In October, 1973, Miriam received the Commissioner’s Cit- ization from then Acting Commissioner of So- cial Security Arthur E. Hess for “sustained ex- cellence in processing an exceptional quantity of claims with a high degree of accuracy.” Ad- ded in January, 1987, Miriam also re- ceived the Chicago Region Supervisory Excel- lence Award for “outstanding supervisory skills resulting in improved efficiency and enhanced employee morale.” These awards demonstrate not only that Miriam is a dedicated employee, but also a loyal public servant.

Mr. Speaker, I would ask my colleagues to join me in paying special tribute to Miriam H. Fetters. Our federal service agencies and the American people are better served through the diligence and determination of public servants, like Miriam, who dedicate their lives to serving the needs of others. I am confident that Miri- am will continue to serve her community as a model federal employee well into the future. We wish her the very best on this special oc- casion.
A PROCLAMATION HONORING
ARMAND W. COSENZA, JR.

IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. NEY. Mr. Speaker, whereas, Armund W. Cosenza, Jr. has been elected President of the National Association of Mortgage Brokers (NAMB); and,

Whereas, NAMB provides invaluable services for the mortgage broker industry which originates more than half of all home loans in the country; and,

Whereas, home ownership is at an all time record rate largely due to the contributions of mortgage brokers; and,

Whereas, through his involvement in NAMB, Mr. Cosenza has been instrumental in shaping housing policy in this country; and,

Whereas, Armand Cosenza was a founding father of the Ohio Association of Mortgage Brokers, for which he was president in 1995 and 1996; and still serves on the board as North Chapter President; and,

Whereas, Armand Cosenza must be commended for his contributions to his profession and involvement in his community and dedication to his wife Judy and daughters, Denise and Vic.,

Therefore, I join with the residents of the entire 18th Congressional District of Ohio in applauding Armand W. Cosenza, Jr. for his election as President of NAMB and in wishing him continued success.

HONORING THE 70TH ANNIVERSARY OF YPSILANTI VFW POST 2408; REDEDICATION OF CARL ROBERT ARVIN POST 2408

HON. JOHN D. DINGELL
OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. DINGELL. Mr. Speaker, as a veteran of World War II and a proud member of the Veterans of Foreign Wars, it is my honor to speak to you today in honor of the 70th anniversary of VFW Post 2408 in Ypsilanti, Michigan. On June 15, Post 2408 will commemorate this event by rededicating its post in honor of the late Carl Robert Arvin, a veteran who served his nation with distinction and gave his life in battle during the Vietnam War.

Throughout our history, 11 major wars and many smaller conflicts have required the services of over 40 million Americans to stand and defend the sovereignty and principles we, as a Nation, cherish most. There is no more noble cause for an American than to actively participate in that defense. The valor displayed by American troops in World War II, Korea, Vietnam, the Persian Gulf, and today in Afghanistan must not be forgotten.

For over a century, the VFW has served our nation well. It has not only lobotomized for the rights of veterans, but has worked to better communities across our nation. Members of the VFW did not stop serving their nation when they left the armed forces. Rather, they rededicated themselves to helping others, veteran and non-veteran alike. For 70 years, the members of Post 2408 have served their city, state, and nation with distinction. I would ask my colleagues to join me in recognizing their service.

It is only proper and appropriate that Post 2408 is being rededicated in honor of an American who fought for our country and gave his life so that we may all enjoy the fruits of freedom. Carl Arvin was a man of great worth and an inspiration to all in his presence. His life was taken while serving his country in Vietnam on October 8, 1967. Though Bob was only 24 years old when he died, his life achievement outpaced men twice his age. His legacy must not be forgotten, and his life must forever preserve the men and women of Michigan, both now and in the future, as a lasting testimony to the sacrifice others have made for our nation.

Bob’s natural born leadership was exhibited early in his high school career. At Ypsilanti High School, Bob demonstrated the intellect, athletic ability, and leadership qualities, which were the foundation of his subsequent achievements. He participated in numerous high school activities ranging from debating to quarterbacking the football team. An outstanding wrestler, he was team captain and captured the 154 pound state title. Bob capped his brilliant high school career as valiant mediator of his graduating class. His high school achievements led to several college scholarship offers, including an appointment to West Point, which was the fulfillment of a boyhood ambition and his ultimate choice.

Bob quickly established himself as a class leader when he entered West Point in July 1961 as a member of the Class of 1965. He continued his extracurricular activities and represented West Point at numerous conferences and functions across the country. Bob was a Rhodes Scholarship finalist and was among a group of college students selected to discuss public affairs with President Lyndon Johnson at the White House.

In August 1965, after graduating from West Point, Bob reported to Fort Benning, Georgia, for Airborne and Ranger training. In the brief span of 23 months in the 82nd Airborne Division, Bob demonstrated outstanding professional competence and leadership. After a brief stint as a platoon leader and executive officer, he became the youngest company commander in the Division. During this tour Bob was able to return home to Ypsilanti and marry Merry Lynn Montoyne in 1966.

Bob received orders for Vietnam in early 1967; he was assigned as an advisor in the Military Assistance Command Vietnam (MACV). He reported to his advisory detachment, the 154th Advisor Group, in May 1967. Bob was quickly thrust into combat with the pace and intensity of the war quickening. For combat action on September 5, 1967, he was awarded the Silver Star and Purple Heart. Following a brief hospital stay Bob returned to his battalion, which was preparing for combat operations to clear enemy forces from an area threatening a vital air base at Hue-Phu Bai. Bob was mortally wounded in battle on October 8, 1967; he was posthumously awarded a second Silver Star.

Bob was buried at West Point on October 17, 1967, with full military honors. Mr. Speaker, I would ask all my colleagues to rise and join me in honoring the service of a true American hero, Bob Arvin, and to honor the 70th anniversary of Ypsilanti Post 2408.

PERSONAL EXPLANATION

HON. JOHNNY ELIAS BALDACCI
OF MAINE

IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. BALDACCI. Mr. Speaker, last night I was unavoidably detained in my district due to Maine’s Primary Election. If I had been present, I would have voted: “Aye” on rollcall vote number 220; “Aye” on rollcall vote number 221; “Aye” on rollcall vote number 222.

MARGARETA CRAMPTON: A FRIEND, ALLY AND SUPPORTER DEDICATED TO WORKING MEN AND WOMEN

HON. STENY H. HOYER
OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. HOYER. Mr. Speaker, today, on behalf of working men and women in the State of Maryland and throughout the entire country, I want to thank a stalwart trade unionist who had dedicated her life to improving the lives of others.

But before I recount the many accomplishments and long service of Margareta A. Crampton, the director of the Committee on Political Education (COPE) for the Maryland State and District of Columbia AFL-CIO for more than 20 years, I want to add a personal note.

Margareta is far more than a political ally. She is a trusted friend and staunch supporter who has been by my side since I first decided to run for Congress in 1981. In fact, when my predecessor in Congress, the late Gladys Noon Spellman, suffered a heart attack that left her unable to complete her term, Margareta was one of the first people to come to my office to encourage me to run in a special election to fill that seat.

I can only hope that I’ve served my constituents in the Fifth Congressional District as well as Margareta has tended to the needs of working men and women in Maryland and the American labor movement over the last 40 years.

Margareta began her union career in 1960 with the Bakery, Confectionary and Tobacco International Union, serving as chief steward and shop representative. Recall that what today is rightfully natural and commonplace—women working in positions in virtually every sector of our economy—was not the norm 40 years ago. Women faced many barriers in the workplace. Discrimination was often open and too often tolerated.

But Margareta, and the women of her generation, through force of character and the will to succeed, overcame the many hurdles placed in their paths. They proved that women could perform any job well. And it’s because of their hard work that women in the labor movement, as well as other types of employment, have made such tremendous strides in our society—and continue the fight for the equality, justice and fairness that they deserve.

After 19 years at the Bakery, Confectionary and Tobacco Workers International,
Margareta moved in 1979 to the Graphic Arts International Union, serving as the financial recording secretary and membership reviewer.

During the 1960s and 1970s, she was an active member of the Office of Professional Employees International Union (OPEIU), Local 2, and became the first woman to be elected First Vice-President of her local in 1974. She served as chair or co-chair of numerous committees in her local, including the educational committee, the COPE committee, and the organizing committee. She also served as the chair of the Young Trade Unionists No. 2 from 1970 to 1973, as the recording secretary of the Young Trade Unionists No. 1 from 1970 to 1973.

In 1980, Margareta was appointed as the Director of COPE for the Maryland State and District of Columbia AFL-CIO, and earned a well-deserved reputation through the years as a determined advocate for all workers and a gritty political organizer. She has worked on numerous political campaigns at the local, state and national levels, and it's more than fair to say that her unrelenting work across the state on behalf of working families built enduring relationships between the labor community and elected officials at all levels of government. Margareta's boundless energy helped her balance her dedication to improving the lives of working men and women, with her love and devotion to her children, Brenda and Philip, and her grandchildren.

And as she enjoys semi-retirement, she should do so with the knowledge that her efforts over the last 40 years have changed and improved people's lives, and that her labor continues the activism, stretching all the way back to notables as Susan B. Anthony, Sojourner Truth and Mary Harris Jones—who understood that labor fairness was rooted in morality and inspired by the American quest for equality, justice and fairness.

As Mother Jones said many years ago: “The cause of the worker continues onward. . . . The future is in labor's strong, rough hands.” That future, today, is much brighter for working men and women, in large part due to the hard work of trade unionists like Margareta Crampton. To her, we owe a deep gratitude and offer our thanks and deep appreciation.

WHITESIDE SCHOOL NAMED NATIONAL SERVICE-LEARNING LEADER SCHOOL

HON. JERRY F. COSTELLO
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in honoring the Whiteside School District in Belleville, Illinois which is one of 16 schools in the United States to serve as a 2002 National Service-Learning Leader School. This honor demonstrates the school's strong commitment to service-learning in its curriculum.

Whiteside has undertaken many projects which demonstrate its exceptional efforts in service. Students at the school have created a garden area, an outdoor science lab and a pond, including a fountain and fish. Also, sixth-grade students at the school have converted a courtyard into an outdoor classroom and put new landscaping in the area.

The children have restored the Whiteside Cemetery, which had been abandoned and vandalized. In addition, they have done genealogical research on the people who are buried in the Whiteside Cemetery and have published an extensive Whiteside family history. They are taking photographs of other Civil War gravesites in St. Clair County, and they are in the process of putting together a website that will include the genealogical information and other Civil War information. The students have assembled a CD-ROM that will be sent to the Library of Congress.

The teachers and administrators at Whiteside have been a great asset for these children, as they have combined service and education in a way that is fun and creative. There are 412 students in 5th through 8th grade at the school, and they have all been involved with service-learning projects. The children have not only found a new enthusiasm for their education, but they have performed valuable work for the community as well. Whiteside continues to make a significant contribution to Southwestern Illinois and the entire nation, Mr. Speaker, I urge my colleagues to join me in expressing appreciation to the Whiteside School District for its dedication to service.

HON. PAUL E. GILLMOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Mr. GILLMOR. Mr. Speaker, I rise today to pay special tribute to an outstanding gentleman from Ohio's Fifth Congressional District. Jim Streacker of Tiffin, Ohio, will celebrate a milestone seventh birthday on June 15, 2002.

Mr. Speaker, Jim will be celebrating this monumental occasion with family and friends, all who have known of his selfless contributions to the local community. Serving the community was not only Jim's duty but also his honor. These chances to give back to the community have brought him a lifetime of both personal and professional achievement Jim truly is a valued asset to the City of Tiffin.

Jim has served Tiffin well throughout his years both, professionally and philanthropically. In his state of semi-retirement from Streacker Tractor Sales, he continues to serve the agricultural community as Secretary of the Tractor Sales Association. He also holds a seat on the Seneca Industrial Environmental Development Commission, and is a member of the local chamber of commerce, the local business boosters, and the Key Bank Advisory Board.

Jim serves charitable interests of the Saint Francis Foundation, and the Betty Jane Advisory Board. Through Jim's work in the Calvert Foundation, he has helped manage the investments of the local school system in an effort to keep the schools properly financed and maintain a high standard of education for the community's children. He is also active in the local VFW, American Legion, and AMVETS since serving his country in the U.S. Air Force in the Korean War.

Mr. Speaker, I ask my colleagues to join me in paying special tribute to Jim Streacker. Our communities are served well by having such honorable and giving citizens, like Jim, who care about the well being and stability of their communities. We wish him the very best on this special occasion.

HON. EDDIE BERNICE JOHNSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, whereas on March 9, 2002, the Lincoln High School Tigers boys varsity basketball team in Dallas, Texas completed its 2001–2002 season undefeated, with 40 wins, 0 losses; Whereas the Lincoln High School Tigers won the 2002 Texas State Championship; Whereas the Lincoln High School Tigers were ranked number one by USA Today national high school ranking poll; Whereas the Lincoln High School Lady Tigers girls' team won the, District 12-4A Championship in Dallas, Texas, having completed the 2001–2002 season undefeated with 12 wins, 0 losses; Whereas the Lincoln High School Lady Tigers continued to win their regional championship and were also state finalists; Whereas the Lincoln High School Football team won their district championship, finishing the season undefeated with 6 wins, 0 losses; and Whereas the Lincoln High School National Society of Black Engineers (NSBE) Jr. Club won the 2001 Dallas Boosting Engineers, Science & Technology (BEST) award, including the Most Elegant Robot award; Be It Proclaimed, That: (1) congratulate—The Lincoln High School Tigers boys varsity basketball team for winning the 2002 Texas State Championship; The Lincoln High School Lady Tigers girls basketball team for winning their 2002 district and regional championships; The Lincoln High School Boys Basketball team for winning the 2001 district championship; and The Lincoln High School NSBE Jr. Club for winning the BEST award; (2) commend the Lincoln High School Tigers boys varsity basketball team, the Lady Tigers girls basketball team, the football team and the NSBE Jr. Club for their outstanding performance during the entire 2001–2002 season and for their commitment to high standards of character, perseverance, and teamwork; and (3) recognize the achievements of the players, coaches, and support staff who were instrumental in helping the athletic teams and clubs win their respective championships and awards.
HON. STEPHEN HORN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002
Mr. HORN. Mr. Speaker, I rise today to introduce the Center for Commercial Deployment of Transportation Technology Development Authorization Act of 2002. The Center for Commercial Development of Transportation Technologies (CCDoTT) is a chartered university center at California State University Long Beach (CSULB) functioning as a partnership of academic institutions, government, and commercial corporations.

The CCDoTT project is operated by the CSULB Foundation in conjunction with the Department of Defense, the United States Transportation Command (USTRANSCOM), and the Department of Transportation, through the Maritime Administration (MARAD).

CCDoTT was organized to pursue a broad range of defense and commercial technologies, to analyze transportation problems and environmental impacts, and to develop technological, procedural, computer, or equipment solutions. CCDoTT and its associates are well versed in transportation technologies, computer simulation and modeling, defense, electronic commerce, economic and cost modeling, state-of-the-art training and educational solutions, and advanced manufacturing technologies.

Recent developments with respect to national security issues and more specifically maritime related security issues, have introduced a new dimension to a number of maritime related security issues, have introduced a new dimension to a number of national security and economic issues in the maritime arena.

Working with its partners, CCDoTT will continue to help our Armed Forces meet their rapid deployment needs for the new millennium vehicle. Our Army and our Department of Defense have recognized that this new high-speed sealift technology will provide the United States with a new dimension to our maritime capabilities.

To this end, CCDoTT has highlighted that the United States needs a high-speed sealift capability. CCDoTT has documented the United States gain worldwide leadership in the advanced high-speed ocean transportation market. Your legislation, by providing CCDoTT with a multi-year authorization, will enable CCDoTT to continue to pursue its mandates over the long term with the knowledge that its work can proceed in an uninterrupted fashion.

We again express our support for your legislation and look forward to working with you and your colleagues for its enactment this year.

Sincerely,

Gerald Timothy Brown, Masters, Mates & Pilots; Ron Davis, Marine Engineers' Beneficial Association; Henry Disley, Marine Fireman's Union; Gunnar Lundeberg, Sailors' Union of the Pacific; Michael Sacco, Seafarers International Union.

THE BRACERO JUSTICE ACT OP 2002
HON. LUIS V. GUTIERREZ
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 12, 2002
Mr. GUTIERREZ. Mr. Speaker, I rise today to announce the introduction of my bill, the Bracero Justice Act of 2002. I am joined by Representatives Farr, Filner, Pastor, Napolitano, Solis, Baca, Roybal-Allard, Serrano, McGovern, Rodriguez, Frank, Menendez, Cosgrove, Kaptur, Schakowsky, Gonzalez, Ortiz, Velazquez, Acevedo-Vilain, Reyes, Lipinski, Becerra, McKinney, Davis, IL, and Berman.

I am very pleased to introduce legislation that offers relief to people who have long sought help. My bill would allow people to seek recourse in a venue that so often has protected the most vulnerable in our society: the federal judicial system. In short, my bill would give a deserving group of people in their day in court and to have their case heard on the merits.

Bracero workers have been waiting for their day in court for nearly six decades. Sixty years ago, in 1942, the U.S. Government entered into a program that was designed to help America get through the economic challenges that accompanied World War II. Under the program, nearly 5 million workers came to the United States from Mexico, to carry out the back-breaking labor that kept our Nation going. They filled in where labor was in short supply—especially in agriculture. Their work

INTRODUCTION OF H.R. 4914, THE CENTER FOR COMMERCIAL DEPLOYMENT OF TRANSPORTATION TECHNOLOGY DEVELOPMENT AUTHORIZATION ACT OF 2002
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Bracero workers have been waiting for their day in court for nearly six decades. Sixty years ago, in 1942, the U.S. Government entered into a program that was designed to help America get through the economic challenges that accompanied World War II. Under the program, nearly 5 million workers came to the United States from Mexico, to carry out the back-breaking labor that kept our Nation going. They filled in where labor was in short supply—especially in agriculture. Their work
allowed America to carry out its war effort and to feed the country and its troops.

After the war, during the late 1940s and into the 1960s, braceros helped keep America growing and expanding. Some worked on farms, others in railroad construction or other jobs. Unfortunately, despite working a full day in the fields, despite being fully exposed to the elements and a full range of other challenges, braceros did not receive compensation in full. As many as 400,000 workers saw their paychecks reduced by as much as $70 million.

During the first 7 years of the program, it was an overt, explicit policy that each worker would sacrifice 10 percent of his or her salary, with the promise that it would be available to them upon their return to Mexico. It was a policy which very well may have continued long after that period, and affected far more workers. And, yet, the money disappeared. It went unaccounted for. At least $70 million of it—which, with interest, may be worth as much as $500 million to a billion dollars today—was gone.

Today, Members of both parties speculate about the possibility that American workers will not get the full Social Security payout to which they are entitled upon their retirement. Here is a real-life example of exactly that scenario. In this case, it was tens (perhaps hundreds) of millions of dollars that rightfully belonged to people who had little resources then—who had little resources in the years since. And, in many cases, few resources today. Without this legislation, these people will lack the most basic resource of all: the ability to have their complaint heard.

Do we know where the money went? No. However, we do know this: Under the Bracero program, the U.S. Government acted as the employer. Workers were contracted out to various businesses—farms, for example. The U.S. Government withheld 10 percent of their wages. The funds were then to be transferred to Wells-Fargo Bank and this bank was to transfer it to the Banco de Mexico which would then (supposedly) transfer it to regional banks.

Somewhere along the way—sometime during a process which we know began on U.S. soil and may, for all we know, ended on U.S. soil, too—the money was lost. Or taken away. All we know is, the money is still owed. To discover where the money went, to get some accounting of what went wrong, is one of the primary goals of a lawsuit filed last year in federal court. But, even that basic step is blocked until certain legal matters are resolved. These matters are addressed in this bill, the Bracero Justice Act of 2002.

For example, my bill addresses the issue of the statute of limitations. We must eliminate any time limits on legal action. Just as we have seen with Holocaust survivors who were robbed of their assets or the Japanese citizens interned in our country for years—waiving the statute of limitations is a necessary step in seeking justice that is decades overdue. My bill also addresses jurisdictional questions, allowing suits to be filed in any district court, so the full universe of workers can gain relief.

The Bracero Justice Act also seeks a waiver of sovereign immunity, so that action can be taken against a government—whether the United States or Mexican Government—if it is found that their actions contributed to thisiasco. Eligibility of class members matters, so that the full category of workers who may have been harmed, which may have included braceros working into the late 1960s, may have legal standing. In short, what we are asking is that such cases be heard and decided on their merits so that justice cannot be dismissed on a technicality, so that we can discover—first and foremost—the truth. I am confident that my colleagues will agree that the American legislative and judicial system can be put to work to help people who were put to work to build and grow and feed our country. Please join me in cosponsoring my bill, the Bracero Justice Act of 2002.
HIGHLIGHTS

Senate

Chamber Action
Routine Proceedings, pages S5465–S5562

Measures Introduced: Seven bills and four resolutions were introduced, as follows: S. 2617–2623, S. Res. 284–286, and S. Con. Res. 121. Page S5535

Measures Reported:
S. 633, to provide for the review and management of airport congestion, with an amendment in the nature of a substitute. (S. Rept. No. 107–162)

H. Con. Res. 387, recognizing the American Society of Civil Engineers for reaching its 150th Anniversary and for the many vital contributions of civil engineers to the quality of life of our Nation's people including the research and development projects that have led to the physical infrastructure of modern America.

S. Res. 283, recognizing the successful completion of democratic elections in the Republic of Colombia.

S. 1956, to combat terrorism and defend the Nation against terrorist attacks, with an amendment in the nature of a substitute.

S. Con. Res. 104, recognizing the American Society of Civil Engineers on the occasion of the 150th anniversary of its founding and for the many vital contributions of civil engineers to the quality of life of the people of the United States, including the research and development projects that have led to the physical infrastructure of modern America.

S. Con. Res. 114, expressing the sense of Congress regarding North Korean refugees who are detained in China, returned to North Korea where they face torture, imprisonment, and execution, with an amendment in the nature of a substitute and with an amended preamble. Page S5534

Measures Passed:
Child Status Protection Act: Senate passed S. 672, to amend the Immigration and Nationality Act to provide for the continued classification of certain aliens as children for purposes of that Act in cases where the aliens "age-out" while awaiting immigration processing, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto:

Reid (for Feinstein) Amendment No. 3845, to make certain technical corrections. Page S5559

Child Status Protection Act: Senate passed H.R. 1209, to amend the Immigration and Nationality Act to determine whether an alien is a child, for purposes of classification as an immediate relative, based on the age of the alien on the date the classification petition with respect to the alien is filed, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto:

Reid (for Feinstein) Amendment No. 3846, to make certain technical corrections. Page S5561

Commending Los Angeles Lakers: Senate agreed to S. Res. 286, commending and congratulating the Los Angeles Lakers for their outstanding drive, discipline, and mastery in winning the 2002 National Basketball Association Championship. Page S5561

Terrorism Risk Insurance Act: Senate began consideration of S. 2600, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, taking action on the following amendments proposed thereto:

Pages S5560–61

Rejected:
McConnell Amendment No. 3836, to provide for procedures for civil actions. (By 50 yeas to 46 nays (Vote No. 152), Senate tabled the amendment.) Pages S5481–88

Nelson (FL) Amendment No. 3834, to restrict insurance rate increases for terrorism risks. (By 70 yeas to 24 nays (Vote No. 153), Senate tabled the amendment.) Pages S5488–91, S5494–S5500
Withdrew:

Hatch Amendment No. 3839, 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.

Pages S5491–94, S5500

Pending:

Santorum Amendment No. 3842, 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.

Pages S5507–09

Allen Amendment No. 3838, to provide for satisfaction of judgments from frozen assets of terrorists, terrorist organizations, and State sponsors of terrorism.

Brownback Amendment No. 3843, to prohibit the patentability of human organisms.

Pages S5509–13

Ensign Amendment No. 3844 (to Amendment No. 3843), to prohibit the patentability of human organisms.

Pages S5516–17

A unanimous-consent agreement was reached providing for further consideration of the bill at 9:35 a.m., on Friday, June 14, 2002, that Santorum Amendment No. 3842 be withdrawn. Further, that following disposition of S. 1770 (listed below), Senate will continue consideration of this bill, with a vote to occur on Allen Amendment No. 3838 (listed above).

Page S5511

Suppression of Terrorist Bombings—Agreement:

A unanimous-consent agreement was reached providing that when the Senate resume consideration of the terrorism insurance bill on Friday, June 14, at 9:35 a.m., the Santorum Amendment No. 3842 (listed above) be withdrawn. Further that the Judiciary Committee be discharged from further consideration of H.R. 3275, Suppression of the Financing of Terrorism Convention Implementation Act, and the Senate proceed to its consideration, with a Leahy/Hatch substitute amendment to be proposed thereto, with a vote to occur on adoption of the substitute amendment; following which, Senate vote on passage of the bill.

Pages S5511–13

Nominations Received: Senate received the following nominations:

Rebecca Dye, of North Carolina, to be a Federal Maritime Commissioner for the term expiring June 30, 2005.

William A. Schambra, of Virginia, to be a Member of the Board of Directors of the Corporation for National and Community Service for a term expiring September 14, 2006.

Donna N. Williams, of Texas, to be a Member of the Board of Directors of the Corporation for National and Community Service for a term expiring October 6, 2006.

Earl A. Powell III, of Virginia, to be a Member of the National Council on the Arts for a term expiring September 3, 2006.

Robert J. Battista, of Michigan, to be a Member of the National Labor Relations Board for the term of five years expiring August 27, 2006.

2 Navy nominations in the rank of admiral.

Pages S5561–62

Messages From the House:

Pages S5533–34

Measures Referred:

Page S5534

Enrolled Bills Presented:

Pages S5534

Executive Reports of Committees:

Pages S5534–35

Additional Cosponsors:

Pages S5535–36

Statements on Introduced Bills/Resolutions:

Pages S5536–45

Additional Statements:

Pages S5531–33

Amendments Submitted:

Pages S5545–57

Authority for Committees to Meet:

Pages S5557–58

Privilege of the Floor:

Page S5558

Record Votes: Two record votes were taken today. (Total—153)

Pages S5488, S5550

Adjournment: Senate met at 9 a.m., and adjourned at 8:50 p.m., until 9 a.m., on Friday, June 14, 2002. (For Senate’s program, see the remarks of the Acting Majority Leader in today’s Record on page S5561).

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—INTERIOR

Committee on Appropriations: Subcommittee on Interior concluded hearings on proposed budget estimates for fiscal year 2003 for the Department of the Interior, after receiving testimony from Gale A. Norton, Secretary of the Department of the Interior.
BUSINESS MEETING
Committee on Armed Services: Senate met in closed session to discuss the Crusader artillery system program.

TRANSPORTATION EQUITY ACT
Committee on Banking, Housing, and Urban Affairs: Subcommittee on Housing and Transportation held oversight hearings on the implementation and reauthorization of the public transportation provisions of the Transportation Equity Act for the 21st Century (TEA–21) (105–178), receiving testimony from Mayor Kwame M. Kilpatrick, Detroit, Michigan; Mayor H. Brent Coles, Boise, Idaho; and Kenneth Mayfield, Dallas County Commissioners Court, Dallas, Texas, on behalf of the National Association of Counties.

Hearings recessed subject to call.

BUSINESS MEETING
Committee on Finance: Committee began markup of H.R. 7, to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets, but did not complete action thereon, and recessed subject to call.

BUSINESS MEETING
Committee on Foreign Relations: Committee ordered favorably reported the following business items:

S. 2525, to amend the Foreign Assistance Act of 1961 to increase assistance for foreign countries seriously affected by HIV/AIDS, tuberculosis, and malaria;

S. Con. Res. 114, expressing the sense of Congress regarding North Korean refugees who are detained in China and returned to North Korea where they face torture, imprisonment, and execution, with an amendment in the nature of a substitute;

S. Res. 283, recognizing the successful completion of democratic elections in the Republic of Colombia; and

The nomination of Tony P. Hall, of Ohio, for the rank of Ambassador during his tenure of service as U.S. Representative, to the United Nations Agencies for Food and Agriculture, Department of State.

DISCRIMINATION AGAINST WOMEN TREATY
Committee on Foreign Relations: Committee concluded hearings on the Convention on the Elimination of All Forms of Discrimination Against Women, adopted by the United Nations General Assembly on December 18, 1979, and signed on behalf of the United States of America on July 17, 1980 (Treaty Doc. 96–53), after receiving testimony from Representatives Maloney, Millender-McDonald, Morella, Woolsey, and Jo Anne Davis; Harold Hongju Koh, Yale Law School, New Haven, Connecticut, former Assistant Secretary of State for Human Rights; Juliette Clagett McLennan, Easton, Maryland, former U.S. Representative to the United Nations Commission on the Status of Women; Jane E. Smith, Business and Professional Women/USA, and Jeane Kirkpatrick, American Enterprise Institute, former Permanent Representative to the United Nations, both of Washington, D.C.; Kathryn O. Balmforth, Wood Crapo, Salt Lake City, Utah; and Christina Hoff Sommers, American Enterprise Institute, Chevy Chase, Maryland.

ELEMENTARY AND SECONDARY EDUCATION
Committee on Health, Education, Labor, and Pensions: Committee concluded oversight hearings to examine the implementation of the No Child Left Behind Act (P.L. 107–110), focusing on the Reading First and other literacy-related programs and strategies, receiving testimony from Eugene W. Hickok, Under Secretary of Education; Trisha Rhodes, Hancock County Consortium, Bar Harbor, Maine; Ruth Nathan, Rancho Romero Elementary, Alamo, California; and Elizabeth V. Primas, Anthony Bowen Elementary School, Washington, D.C., on behalf of the International Reading Association’s Urban Diversity Initiatives Commission.

BUSINESS MEETING
Committee on the Judiciary: Committee ordered favorably reported the following business items:

S. 1956, to combat terrorism and defend the Nation against terrorist attacks, with an amendment in the nature of a substitute;

S. Con. Res. 104, recognizing the American Society of Civil Engineers on the occasion of the 150th anniversary of its founding and for the many vital contributions of civil engineers to the quality of life of the people of the United States, including the research and development projects that have led to the physical infrastructure of modern America;

H. Con. Res. 387, recognizing the American Society of Civil Engineers for reaching its 150th Anniversary and for the many vital contributions of civil engineers to the quality of life of our Nation’s people including the research and development projects that have led to the physical infrastructure of modern America; and

The nominations of Henry E. Autrey, to be United States District Judge for the Eastern District of Missouri, Richard E. Dorr, to be United States District Judge for the Western District of Missouri, David C. Godbey, to be United States District Judge
for the Northern District of Texas, Henry E. Hud-
son, to be United States District Judge for the East-
ern District of Virginia, Timothy J. Savage, to be
United States District Judge for the Northern District of Illinois;
and Gregory Robert Miller, to be United States At-
torney for the Northern District of Florida, Kevin
Vincent Ryan, to be United States Attorney for the
Northern District of California, Randall Dean An-
derson, to be United States Marshal for the District of
Utah, Ray Elmer Carnahan, to be United States Marshal
for the Eastern District of Arkansas, David
Scott Carpenter, to be United States Marshal for the
District of North Dakota, Theresa A. Merrow, to be
United States Marshal for the Middle District of
Georgia, Ruben Monzon, to be United States Mar-
shal for the Southern District of Texas, and James
Michael Wahlrab, to be United States Marshal for
the Southern District of Ohio, all of the Department
of Justice.

NOMINATIONS
Committee on the Judiciary: Committee concluded
hearings on the nominations of John M. Rogers, of
Kentucky, to be United States Circuit Judge for the
Sixth Circuit, David S. Cercone, to be United States
District Judge for the Western District of Pennsyl-
vania, Morrison C. England, Jr., to be United States
District Judge for the Eastern District of California,
Kenneth A. Marra, to be United States District
Judge for the Southern District of Florida, and Law-
rence A. Greenfeld, of Maryland, to be Director of
the Bureau of Justice Statistics, Department of Justi-
tice, after the nominees testified and answered ques-
tions in their own behalf. Mr. Rogers was introduced
by Senators McConnell and Bunning, Mr. Cercone
was introduced by Senators Specter and Santorum,
Mr. England was introduced by Senator Feinstein,
and Mr. Greenfeld was introduced by Representative
Bartlett.

BUSINESS MEETING
Select Committee on Intelligence: Committee met in
closed session to consider the events surrounding
September 11, 2001, and made no announcements.

House of Representatives

Chamber Action
Measures Introduced: 16 public bills, H.R.
4929–4944; and 4 resolutions, H. Con. Res.
418–420, and H. Res. 443, were introduced.

Reports Filed: Reports were filed as follows:
H.R. 3429, to direct the Secretary of Transpor-
tation to make grants for security improvements to
over-the-road bus operations, amended (H. Rept.
107–507).

Journal: Agreed to the Speaker’s approval of the
Journal of Wednesday, June 12 by a recorded vote
of 344 ayes to 56 noes with 1 voting “present,” Roll
No. 227.

Repeal of Marriage Tax Penalty Sunset: The
House passed H.R. 4019, to provide that the mar-
riage penalty relief provisions of the Economic
Growth and Tax Relief Reconciliation Act of 2001
shall be permanent by a recorded vote of 271 ayes
to 142 noes, Roll No. 229.

Agreed to the Speaker’s approval of the
Journal of Wednesday, June 12 by a recorded vote
of 344 ayes to 56 noes with 1 voting “present,” Roll
No. 227.

Repeal of Marriage Tax Penalty Sunset: The
House passed H.R. 4019, to provide that the mar-
riage penalty relief provisions of the Economic
Growth and Tax Relief Reconciliation Act of 2001
shall be permanent by a recorded vote of 271 ayes
to 142 noes, Roll No. 229.

Rejected the Matsui amendment in the nature of
a substitute that sought to make the marriage pen-
alty relief provisions permanent during calendar year
2010 upon certification by the Director of the Office
of Management and Budget that the tax reductions
will not result in the raid on the social security trust
funds by a yea-and-nay vote of 198 yeas to 213 nays
with 1 voting “present”, Roll No. 228.

Agreed to H. Res. 440, the rule that provided for
consideration of the bill by a yea-and-nay vote of
385 yeas to 22 nays, Roll No. 226.

Legislative Program: The Majority Leader an-
nounced the Legislative Program for the week of
June 17.

Meeting Hour—Monday, June 17: Agreed that
when the House adjourns today, it adjourn to meet
at 12:30 p.m. on Monday June 17 for morning-hour
debate.

Meeting Hour—Tuesday, June 18: Agreed that
when the House adjourns on Monday, June 17, it
adjourn to meet at 10:30 a.m. on Tuesday, June 18
for morning hour debate.

Calendar Wednesday: Agreed to dispense with the
Calendar Wednesday business of Wednesday, June
19.
Quorum Calls—Votes: Two yea-and-nay votes and two recorded votes developed during the proceedings of the House today and appear on pages H3518, H3519, H3539, and H3540. There were no quorum calls.

Adjournment: The House met at 10 a.m. and adjourned at 4:57 p.m.

Committee Meetings

NATIONAL FIRE PLAN
Committee on Agriculture: Subcommittee on Department Operations, Oversight, Nutrition and Forestry held a hearing on National Fire Plan and Outlook for 2002 Wildfire Season. Testimony was heard from Mark E. Rey, Under Secretary, Natural Resources and the Environment, USDA; Barry T. Hill, Director, Natural Resources and Environment, GAO; and a public witness.

“FLAGS OF CONVENIENCE”—VESSEL OPERATIONS AND NATIONAL SECURITY
Committee on Armed Services: Special Oversight Panel on the Merchant Marine held a hearing on vessel operations under “flags of convenience” and their implications on national security. Testimony was heard from Representative Wolf; the following officials of the U.S. Coast Guard, Department of Transportation: Rear Adm. Paul J. Pluta, USCG, Assistant Commandant, Marine Safety and Environmental Protection; and Capt. William G. Shubert, USCG, Administrator, Maritime Administrator; and public witnesses.

MISCELLANEOUS MEASURES

IMCLONE CANCER-DRUG STORY
Committee on Energy and Commerce: Subcommittee on Oversight and Investigations held a hearing entitled “An Inquiry into the ImClone Cancer-Drug Story. Testimony was heard from the following officials of the FDA, Department of Health and Human Services: Patricia Keegan. M.D., Deputy Division Director; Lee H. Pai-Scherf, M.D., Medical Officer, Clinical Reviewer, Oncology Branch, Susan M. Jerian, M.D., Medical Officer, Team Leader, Oncology Branch and George Q. Mills, M.D., Acting Chief, Team Leader, Oncology, all with the Center for Biologics Evaluation and Research, Office of Therapeutic Research and Review, Division of Clinical Trials Design and Analysis; and Richard Pazdur, M.D., Director, Division of Oncology Products, Office of Drug Evaluation, Center for Drug Evaluation and Research; Harlan Waksal, M.D., Chief Executive Officer, ImClone Systems, Inc.; Samuel Waksal, former Chief Executive Officer, ImClone Systems, Inc., Laurie Smaldone, M.D., Senior Vice President, Global Regulatory Sciences, Bristol-Myers Squibb Company; and a public witness.

MEDICAID CLAIMS
Committee on Government Reform: Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations held a hearing on “Medicaid Claims: Who’s Watching the Money?” Testimony was heard from Linda M. Calbom, Director, Financial Management and Assurance, GAO; the following officials of the Department of Health and Human Services: Dennis Smith, Director, Centers for Medicare and Medicaid Services; and Michael F. Mangano, Principal Deputy Inspector General; and Charles C. Maddox, Inspector General, District of Columbia.

SOUTH AFRICA—DEVELOPING FOOD SECURITY CRISIS
Committee on International Relations: Held a hearing on the Developing Food Security Crisis in Southern Africa. Testimony was heard from Andrew Natsios, Administrator, AID, Department of State; James T. Morris, Executive Director, World Food Programme, United Nations; and a public witness.

ANGOLA: PROSPECTS FOR DURABLE PEACE AND ECONOMIC RECONSTRUCTION
Committee on International Relations: Subcommittee on Africa held a hearing on Angola: Prospects for Durable Peace and Economic Reconstruction. Testimony was heard from Walter H. Kansteiner III, Assistant Secretary, Bureau of African Affairs, Department of State; George Chicoti, Vice-Minister, Foreign Affairs, Ministry of External Affairs, Angola; and public witnesses.

MISCELLANEOUS MEASURES

The Committee also continued markup of H.R. 3215, Combating Illegal Gambling Reform and Modernization Act.

Will continue June 18.
OVERSIGHT—COPYRIGHT ARBITRATION ROYALTY PANEL
Committee on the Judiciary: Subcommittee on Courts, the Internet, and Intellectual Property held an oversight hearing on “The CART (Copyright Arbitration Royalty Panel) Structure and Process.” Testimony was heard from Marybeth Peters, Register of Copyrights and Associate Librarian for Copyright Services, Copyright Office of the United States, Library of Congress.

ANTI-TERRORISM EXPLOSIVES ACT

MARINE MAMMAL PROTECTION ACT REAUTHORIZATION
Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans held a hearing on H.R. 4781, to reauthorize the Marine Mammal Protection Act of 1972. Testimony was heard from the following officials of the Department of Defense: Raymond F. DuBois, Jr., Deputy Under Secretary, Installations and Environment; and Vice Adm. Charles Moore, USN, Deputy Chief of Naval Operations, Readiness and Logistics; William T. Hogarth, Assistant Administrator, Fisheries, National Marine Fisheries Service, NOAA, Department of Commerce; Marshall Jones, Deputy Director, U.S. Fish and Wildlife Service, Department of the Interior; John E. Reynolds III, Chairman, Marine Mammal Commission; and public witnesses.

MISCELLANEOUS MEASURES
Committee on Resources: Subcommittee on National Parks, Recreation and Public Lands held a hearing on the following bills: H.R. 2534, Lower Los Angeles River and San Gabriel River Watershed Study Act of 2001; H.R. 4530, Blue Ridge Heritage and Cultural Partnership Area Study Act of 2002; and 4822, Upper Missouri River Breaks Boundary Clarification Act. Testimony was heard from Representatives Taylor of North Carolina and Rehberg; the following officials of the Department of the Interior: Katherine Stevenson, Associate Director, Cultural Resources, Stewardship and Partnerships, National Park Service; and Patricia Morrison, Deputy Assistant Secretary, Land Minerals Management, Bureau of Land Management; and public witnesses.

TRI LEAD RULE
Committee on Small Business: Subcommittee on Regulatory Reform and Oversight held a hearing on the TRI Lead Rule: Costs, Compliance and Science. Testimony was heard from Kim T. Nelson, Assistant Administrator, Environmental Information, EPA; and public witnesses.

JFK CENTER FOR THE PERFORMING ARTS ACCESS STUDY AND PLAZA AUTHORIZATION
Committee on Transportation and Infrastructure: Subcommittee on Economic Development, Public Buildings and Emergency Management held a hearing on the John F. Kennedy Center for the Performing Arts Access Study and Plaza Authorization. Testimony was heard from Mary K. Peters, Administrator, Federal Highway Administration, Department of Transportation; Michael Kaiser, President, The John F. Kennedy Center for the Performing Arts; and Dan Tangherlini, Director, Department of Transportation, District of Columbia.

WATER QUALITY TRADING
Committee on Transportation and Infrastructure: Subcommittee on Water Resources and Environment held a hearing on Water Quality Trading—An Innovative Approach to Achieving Water Quality Goals on a Watershed Basis. Testimony was heard from Benjamin H. Grumbles, Deputy Assistant Administrator, Water, EPA; Bruce L. Knight, Chief, Natural Resources Conservation Service, USDA; Thomas M. Morrissey, Director, Water Management Bureau, Department of Environmental Protection, State of Connecticut; Thomas R. Morgan, General Management, Montgomery Water Works and Sanitary Sewer Board, State of Alabama; and public witnesses.

FILIPINO WW II VETERANS HEALTH CARE WITHIN DEPARTMENT OF VETERANS AFFAIRS
Committee on Veterans’ Affairs: Subcommittee on Health held a hearing on the health care of Filipino World War II veterans within the Department of Veterans Affairs. Testimony was heard from Representatives Gilman, Cunningham, Rohrabacher, Mink of Hawaii, Millender-McDonald and Underwood; Anthony J. Principi, Secretary, Department of Veterans Affairs; Albert Del Rosario, Ambassador to the United States, Embassy of the Philippines; representatives of veterans organizations; and public witnesses.

EXTRATERRITORIAL INCOME REGIME
Committee on Ways and Means: Subcommittee on Select Revenue Measures concluded hearings on the Extraterritorial Income (ETI) Regime. Testimony was heard from R. Glenn Hubbard, Chairman, Council of Economic Advisers; Barbara Angus, International Tax Counsel, Department of the Treasury; and public witnesses.
NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST of June 11, 2002, p. D596)

H.R. 3448, to improve the ability of the United States to prevent, prepare for, and respond to bioterrorism and other public health emergencies. Signed on June 12, 2002. (Public Law 107–188)

COMMITTEE MEETINGS FOR FRIDAY,
JUNE 14, 2002

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Health, Education, Labor, and Pensions: Subcommittee on Children and Families, to hold hearings to examine increasing of options and awareness concerning the screening of newborns, 10:15 a.m., SD–430.

House

No committee meetings are scheduled.
Education

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Next Meeting of the SENATE
9 a.m., Friday, June 14

Senate Chamber

Program for Friday: After the transaction of any morning business (not to extend beyond 9:35 a.m.), Senate will continue consideration of S. 2600, Terrorism Risk Insurance Act.

Also, Senate will consider H.R. 3275 and S. 1770, bills 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, with votes to occur thereon.

Next Meeting of the HOUSE OF REPRESENTATIVES
12:30 p.m., Monday, June 17

House Chamber

Program for Monday: Consideration of suspensions.

Extension of Remarks, as inserted in this issue

HOUSE
Ackerman, Gary L., N.Y., E1036
Balducci, John Elias, Maine, E1043
Brown, Henry E., Jr., S.C., E1046
Burton, Dan, Ind., E1032
Clyburn, James E., S.C., E1027, E1028
DeMint, Jim, S.C., E1035
DeLauro, Rosa L., Conn., E1041
DeFazio, Peter A., Ore., E1038
Crowley, Joseph, N.Y., E1030
Coyne, William J., Pa., E1039
Costello, Jerry F., Ill., E1038, E1039, E1042, E1044
Collins, Mac, Ga., E1032
Clyburn, James E., S.C., E1027, E1028
Burton, Dan, Ind., E1032
Brown, Henry E., Jr., S.C., E1046
Baldacci, John Elias, Maine, E1043
Ackerman, Gary L., N.Y., E1036

Gutierrez, Luis V., III., E1045
Hastert, J. Dennis, III., E1027
Hastings, Alcee L., Fla., E1041
Hoefel, Joseph M., Pa., E1029
Horn, Stephen, Calif., E1045
Hoyer, Steny H., Md., E1041, E1043
Hunter, Duncan, Calif., E1048
Johnson, Eddie Bernice, Tex., E1044
LaHood, Ray, Ill., E1038
Langenheim, James R. R., I., E1031
Lantos, Tom, Calif., E1077
Luther, Bill, Minn., E1029, E1031
McCollum, Betty, Minn., E1031
Maloney, Carolyn B., N.Y., E1006
Meehan, Patrick, Mass., E1030
Menendez, Robert, N.J., E1030
Millender-McDonald, Juanita, Calif., E1044, E1045, E1093
Miller, George, Calif., E1027
Ney, Robert W., Ohio, E1043
Ose, Doug, Calif., E1027
Paul, Ron, Tex., E1006
Payne, Donald M., N.J., E1029
Pitts, Joseph R., Pa., E1034
Radianovich, George, Calif., E1033
Riley, Bob, Ala., E1038
Serrano, Jose E., N.Y., E1039
Sherwood, Don, Pa., E1033
Simmons, Rob, Conn., E1006
Skelton, Ike, Mo., E1035
Strickland, Ted, Ohio, E1031
Sweeney, John E., N.Y, E1028
Thompson, Mike, Calif., E1027
Traficant, James A., Jr., Ohio, E1029
Udall, Tom, N.M., E1031
Upton, Fred, Mich., E1037
Vicinsky, Peter J., Ind., E1034
Walsh, James T., N.Y., E1027, E1029, E1035

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