Congress has armed regulators with the flexibility to adapt to changes in the marketplace. Indeed, in the coming years, I am confident the Federal Reserve Board and the Treasury Department will determine the effect that the Gramm-Leach-Bliley Act is having on the financial market place and on consumers. As the effects are analyzed and changes considered, I urge that safeguards be included that ensure the protection of consumers and existing businesses as well as compliance with the intent of Congress. Until then, allowing banks in real estate could create inherent conflicts of interest for the lenders and brokers, and could place inevitable pressure on consumers and limit their choices in products and services.

Last year, there was tremendous support for this legislation in the House and Senate, and I look forward to working with my colleagues again this year to ensure the Treasury Secretary hears loud and clear the intent of Congress to protect consumers, and to protect an industry from being put at a competitive disadvantage through executive action.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 107. A bill to prohibit the exportation of natural gas from the United States to Mexico for use in electric energy generation units near the United States border that do not comply with air quality control requirements that provide air quality protection that is at least equivalent to the protection provided by requirements applicable in the United States; to the Committee on Banking, Housing, and Urban Affairs.

Mrs. FEINSTEIN. Mr. President, I rise today to re-introduce legislation at the start of this new Congress to protect those living along the California-Mexican border from harmful power plant emissions.

This bill, which Congressman DUNCAN HUNTER is also re-introducing today in the House of Representatives, will prevent power plants built in Mexico from using natural gas from the United States, unless firms operating these plants agree to comply with California's air pollution standards.

Currently there are two new power plants planned for Mexicali, Mexico, a city right across the border from Imperial County, California. The Imperial Valley produces much of our Nation's wintertime vegetables. The Valley is the region in Southern California that will be impacted most by pollution from these power plants in Mexico. And since Imperial County has some of the worst air quality in the United States and one of the highest childhood asthma rates in the State, I believe these new plants must meet California emission standards.

One of the Mexicali plants, which is being built by Sempra Energy, will have pollution mitigation technology to minimize the impact of air pollution on the residents of the Imperial Valley. However, the other plant, to be built by InterGen, will not. InterGen officials have repeatedly stated that their Mexicali plant will meet "domestic standards or World Bank standards." The problem is these are not U.S. standards and are far below California standards.

I am introducing this legislation today to make sure any plant that comes online along the California-Mexican border meets the same air quality standards as plants in California.

The residents of Imperial County and the entire Southern California region deserve nothing less.

I have heard from many constituents in Southern California concerned about the InterGen plant and local officials in Imperial County are adamantly opposed to the InterGen plant because the company has refused to install pollution control devices on all four operating units.

This legislation has the support of the Imperial County Board of Supervisors, the Imperial District, the Coachella Valley Association of Governments, and San Diego Mayor Dick Murphy.

This legislation will ensure energy plants along the border employ the best technology available to control pollution and protect the public health for residents of Southern California and other border regions in a similar situation.

The bill will prohibit energy companies from exporting natural gas from the United States for use in Mexico unless the natural gas fired generators south of the border meet the air standards prevalent in the United States. This will effectively cut power plants off from the natural gas supply if they do not meet higher emissions standards.

This legislation will not constrain power plants that were put online prior to January 1, 2003. It will apply to plants built after the new year and projects that come online in the future.

This bill will only apply to power plants within 50 miles of the U.S.-Mexican border.

And the legislation will only apply to power plants that generate more than 50 megawatts of power. We do not want to block any moves to replace dirty diesel back-up generators with cleaner natural-gas fired small power sources.

The bill calls for collaboration between the Secretary of Commerce and the Administrator of the Environmental Protection Agency to determine if a power plant is in compliance with relevant emission standards.

I support the development of new energy projects for California because I believe we need to bring more power online. However, I do not believe the fact that we need more power in California should allow companies to take advantage of this need and use it as an excuse to devote less attention to clear air and public health.

It is not unreasonable to ensure that companies making money in California energy market meet strict environmental standards. This legislation is meant to strike a balance between promoting new sources of energy south of the border and protecting the environment throughout the border region. It is not a final resolution of these cross-border issues, but I believe it is a good first step.

By Mr. EDWARDS (for himself and Mr. HOLLINGS):

S. 118. A bill to develop and coordinate a national emergency warning system; to the Committee on Commerce, Science, and Transportation.

Mr. EDWARDS. Mr. President, I rise to introduce, together with Senator HOLLINGS, the Emergency Warning Act of 2003.

In the event of a terrorist attack or natural disaster, Americans must know how to respond. In the first terrible hours on September 11, 2001, in Washington, in New York, and across the country, most of us didn't know what to do. We didn't know whether it was safer to pick our children up from school or safer to leave them there. We didn't know if we should stay at work or head for home.

For everything that's happened since September 11, the reality is that if an attack happened again, many of us still would not know what to do. That must change.

To prepare Americans to respond in time of attack, the first thing we need to do is to update our emergency warning system. Today, that system depends heavily on television and radio, and it has two big problems. First, the system doesn't reach millions of Americans who aren't near a TV and radio at a given moment. How many of us would hear a warning issued on TV at 3 a.m? Second, the system doesn't provide all the information we need. For many of us, the new color-coded terrorism warnings have proven more confusing than helpful. We need practical information about what we can do to respond to threats or attacks.

While the terrorist attacks have highlighted the need for effective public warnings, they're also essential during natural disasters. In fact, most public warnings deal with weather hazards like hurricanes and floods. After Hurricane Floyd hit North Carolina, the Air Force had to rescue more than 200 people stranded in cars, on roofs, and in trees, people who weren't told to evacuate their homes until it was too late. More than 50 people died during that hurricane. In our State's neighbor, Tennessee, six people died during a 1999 tornado because tornado sirens failed. With all the technology that we have at our disposal, we can do better.

In short, we have to make sure effective warnings get to every American in time of danger, and we have to make sure those warnings tell folks just what they can do to protect themselves and their loved ones.

The Emergency Warning Act will help achieve that goal. This legislation will require the Department of Homeland Security and the Department of Commerce to make sure that comprehensive, easily understood emergency warnings get to every American at risk, Whether from flood, hurricane or terrorist attack. This bill instructs Commerce and DHS to work with the government agencies that currently issue warnings, with first responders, with private industry, and with the media to make sure that our emergency warning system actually warns Americans who are at risk.

There are a lot of things the system could do using existing technology. For example, it could alert Americans in their homes through a special phone ring. These warnings could reach people as they sleep in their homes. For people on the move, the system could use cell phones, which can already be programmed to broadcast emergency warnings to all users in a certain area—even if those folks are just passing through. Pagers and beepers can achieve the same result. Televisions can be programmed to come on automatically and provide alerts in the event of a disaster.

We also can make sure that warnings provide the specific information people need—what to watch for, where to go, how to travel, what to bring. We should not have empty warnings. Instead, we should respond to specific threats with specific information that people can use.

This legislation was developed with a lot of help from the Partnership for Public Warning. Their comprehensive study of the problem, ''Developing a Unified All-Hazard Public Warning System,'' pointed the way to what we are doing. I'm grateful for their help, as well as the indispensable help of Senator HOLLINGS.

Creating a better emergency warning system is only the first step we must take in order to empower Americans to respond to terrorist attack. As I've said in the past, I believe Americans want to contribute to our nation's defense, they are just looking for ways to do it. In the coming weeks, I will introduce additional legislation to support civilian defense efforts across America. But this bill makes an important contribution to our efforts.

By Mrs. HUTCHISON (for herself, Mr. BAYH, Mr. BROWNBACK, Mr. HAGEL, Mr. BURNS, Mr. FITZGERALD, Mr. CORNYN, and Mr. COCHRAN):

S. 120. A bill to eliminate the marriage tax penalty permanently in 2003; to the Committee on Finance.

Mrs. HUTCHISON. Mr. President, I am pleased to introduce a bill to provide permanent tax relief from one of the most egregious, anti-family aspects of the tax code, the marriage penalty. Relieving American taxpayers of this burden has been one of my highest priorities as a U.S. Senator.

Today, millions of couples across America are penalized by our tax code simply because they are married. The Treasury Department estimates that 48 percent of married couples pay this additional tax, and, according to a study by the Congressional Budget Office, the average penalty paid is $1,400 per couple.

Fortunately, the 107th Congress took a step in the right direction. The Economic Growth and Tax Relief Reconciliation Act of 2001 will provide marriage penalty relief to millions of couples by increasing the size of the standard deduction and the width of the 15 percent tax bracket, so those applied to a married couple will be twice the size of those for an individual. In addition, the phase-out levels for the earned income tax credit will be adjusted so as to reduce the penalty on married couples.

But once again, we face the infamous ''sunset provision'' that will wipe away these reforms in 2011. Another problem is that relief does not begin to be phased in until 2005, with the full impact not taking effect until 2009. President Bush has called for making marriage penalty relief effective immediately as part of his economic stimulus package.

I agree that this is an important step. Given the state of the economy and the difficulty many families are having in making ends meet, we cannot wait any longer to give young couples the break they deserve.

The bi-partisan bill I am offering with Senator BAYH and others would make the 2001 reforms effective immediately and permanently. People will no longer have to decide between love and money.

The benefits for couples are significant. A couple earning $30,000 could keep $800 they now pay in taxes, while a couple earning $80,000 could save more than $1,300. 35 million couples will benefit from enacting marriage penalty relief in 2003, including 2.4 million Texas families.

The tax code provides a significant disincentive for people to take marriage vows. Marriage is a fundamental institution in our society and should not be discouraged by the IRS. The benefits of marriage are well established. Children living in a married household are far less likely to live in poverty or to suffer from child abuse. Research indicates they are less likely to be depressed or have developmental problems. Scourges such as adolescent drug use are less common in married families, and married mothers are less likely to be victims of domestic violence.

At the very least, marriage should not be a taxable event.

I call on the Senate to finish the job we started and say ''I do'' to providing permanent marriage penalty relief today.

Mrs. HUTCHISON. Mr. President, 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. 120

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 ''Marriage Penalty Relief Act of 2003''.

SEC. 2. ACCELERATION OF MARRIAGE PENALTY RELIEF PROVISIONS.

(a) ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.—

(1) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(A) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(B) by adding ''or'' at the end of subparagraph (B);

(C) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.''; and

(D) by striking subparagraph (D).

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(B) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2002.

(b) ELIMINATION OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

(1) IN GENERAL.—Section 1(f) of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

''(8) ELIMINATION OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

''(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2002, in prescribing the tables under paragraph (1)—

''(i) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be 200 percent of the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

''(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

''(B) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting ''except as provided in paragraph (8),'' before ''by increasing''.

(B) The heading for subsection (f) of section 1 is amended by inserting ''ELIMINATION OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;'' before ''ADJUSTMENTS''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2002.

(c) MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.—

(1) INCREASED PHASEOUT AMOUNT.—

(A) IN GENERAL.—Section 32(b)(2)(B) of the Internal Revenue Code of 1986 (relating to amounts) is amended by striking '''increased by—'' and all that follows and inserting ''increased by $3,000.''.

(B) INFLATION ADJUSTMENT.—Paragraph (1)(B)(ii) of section 32(j) of such Code (relating to inflation adjustments) is amended to read as follows:

''(ii) in the case of the $3,000 amount in subsection (b)(2)(B), by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) of such section 1.''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to taxable years beginning after December 31, 2002.

(2) EXPANSION OF MATHEMATICAL ERROR AUTHORITY.—

(A) IN GENERAL.—Paragraph (2) of section 6213(g) of such Code is amended by striking ''and'' at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting '', and'', and by inserting after subparagraph (L) the following new subparagraph:

''(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child.''.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall take effect on January 1, 2003.

(d) CONFORMING AMENDMENTS.—

(1) REPEAL OF AMENDMENTS.—Sections 301, 302, and 303(g) of the Economic Growth and Tax Relief Reconciliation Act of 2001 are repealed.

(2) REPEAL OF SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 303 (other than subsection (g) of such section) of such Act (relating to marriage penalty relief).

By Mrs. HUTCHISON (for herself, Mrs. FEINSTEIN, Mr. HATCH, Mr. LEAHY, Mrs. CLINTON, Mr. ENSIGN, Mr. MILLER, Mr. VOINOVICH, Mr. CRAPO, Mr. LUGAR, Mr. BINGAMAN, Ms. STABENOW, Mr. FITZGERALD, Mr. FEINGOLD, Mr. BIDEN, Mr. MCCONNELL, Mr. NELSON of Florida, Mr. BENNETT, Mr. DODD, Ms. LANDRIEU, Mr. SESSIONS, Ms. COLLINS, Mr. ALLARD, Mr. ROCKEFELLER, Mr. WYDEN, Mr. HARKIN, and Mr. DURBIN):

S. 121. A bill to enhance the operation of the AMBER Alsert communications network in order to facilitate the recovery of abducted children, to provide for enhanced notification on highways of alerts and information on such children, and for other purposes; to the Committee on the Judiciary.

Mrs. HUTCHISON. Mr. President, I am introducing today with my friend from California, Senator FEINSTEIN, and 26 other senators, the National AMBER Network Act. This legislation will establish a National Amber Network and improve the current system of AMBER Alert plans that exist in various states. Our legislation recognizes the tremendous work that those involved in AMBER alerts are doing and seeks to build on their efforts.

In 1996, 9-year-old Amber Hagerman of Arlington, Texas was abducted and brutally murdered. Her death had such an impact on the community that local law enforcement and area broadcasters developed what is now known as AMBER Alert, America's Missing: Broadcast Emergency Response. An AMBER Alert is activated by law enforcement to find a child, when a child has been abducted. An Alert triggers highway notification and broadcast messages throughout the area where the abduction occurred.

As we have seen, AMBER plans in different communities have worked to bring children home safely. To date, AMBER Alert has helped recover 42 children nationwide. Many communities and States have outstanding AMBER plans. However, the vast majority of States do not yet have comprehensive, statewide coverage and lack the ability to effectively communicate. This is a critical issue particularly when an abducted child is taken across State lines.

The bill I am introducing today establishes an AMBER Alert Coordinator within the Department of Justice to assist states with their AMBER plans. Last year, President Bush ordered the Attorney General to establish an AMBER Alert Coordinator, and this bill will codify that position for future Administrations. While we have witnessed successful stories of AMBER alerts helping to recover a child within a region, huge gaps exist among the AMBER plans around the country. The AMBER Alert Coordinator will facilitate appropriate regional coordination of AMBER alerts, particularly with interstate travel situations, and will assist states, broadcasters, and law enforcement in establishing additional AMBER plans.

The AMBER Alert Coordinator will set minimum, voluntary standards to help states work together, and will help to reconcile the different standards and criteria for issuing an AMBER Alert. In doing so, the Coordinator will work with the National Center for Missing and Exploited Children, local and State law enforcement and broadcasters to define minimum standards. Overall, the AMBER Alert Coordinator's efforts will set safeguards to make sure the AMBER alert system is used to meet it intended purpose.

In addition, the bill provides for matching grants to states with AMBER programs. The grant program will help localities and States build or further enhance their efforts to disseminate AMBER alerts. To this end, Federal matching grants will fund road signs and electronic message boards along highways, broadcasts of information on abducted children, education and training, and related equipment.

Our bill has the strong support of the National Center of Missing and Exploited Children and the National Association of Broadcasters, who play essential roles in the AMBER Alert system. I urge the Senate to act expeditiously on this legislation to protect America's children.

Mrs. FEINSTEIN. Mr. President, today I am pleased to join Senator HUTCHISON in re-introducing the National AMBER Alert Network Act. This legislation builds on the proven successes of the AMBER Alert program.

AMBER Alerts are official bulletins transmitted over the airwaves to enlist the public's help in tracking down child abductors fleeing a crime scene.

AMBER Alerts are such powerful tools because they can be issued within minutes of an abduction and reach a wide public audience.

Statistics show that children in the most dangerous abduction cases have precious little time until their safety is compromised.

According to a study by the U.S. Department of Justice, 74 percent of children who were abducted, and later found murdered, are killed in the first hours after being taken.

Simply put, we need more AMBER Alerts because they may be the best tool law enforcement has to save kidnapped children facing imminent danger.

Last Fall, Senator HUTCHISON and I first introduced the ''National AMBER Alert Network Act.'' The bill attracted tremendous support in the Senate. Just seven days after it was introduced, the bill passed the Senate.

While the legislation did not pass the House, President Bush issued an executive order putting some of the pieces of the National AMBER Alert Network Act into effect.

Specifically, on October 3, 2002, President Bush announced that the Administration would create a national AMBER Alert coordinator in the Department of Justice, would draft national standards for AMBER Alerts; and allocate $10 million in funding for the creation of new AMBER Alert programs.

While President Bush's actions were an important first step, we now need to ensure the long-term viability of the national AMBER Alert program by enacting authorizing legislation.

The bill we introduce today has three key components.

First, the legislation would authorize $20 million to the Department of Transportation and $5 million to the Department of Justice in FY 2004 to provide grants for the development of AMBER Alert systems, electronic message boards, and training and education programs in states that do not have AMBER Alerts.

To date, AMBER Alert systems exist in 33 States and a total of 83 local, regional and State jurisdictions. This bill would help the expansion of AMBER Alerts to new jurisdictions.

Second, the bill would build upon the President's Executive Order by authorizing a national coordinator for AMBER Alerts in the Department of

Justice to expand the network of AMBER Alert systems and to coordinate the issuance of region-wide AMBER Alerts.

Third, the bill provides a framework for the Department of Justice to establish minimum standards for the regional coordination of AMBER alerts.

The Department of Justice, working with the National Center for Missing and Exploited Children and other private organizations with expertise in this area, would build upon the best standards currently in place.

Today, an AMBER Alert is typically issued only when: a law enforcement agency confirms that a predatory child abduction has occurred, the child is in imminent danger, and there is information available that, if disseminated to the public, could assist in the safe recovery of the child.

The effectiveness of AMBER Alerts depends on the continued judicious use of the system so that the public does not grow to ignore the warnings.

Furthermore, it is the specific intent of this bill not to interfere with the operation of the 83 AMBER plans that are working today.

Participation in regional AMBER plans is voluntary, and any plan that wishes to go it alone may still do so.

I urge members to support this bill because AMBER Alerts have a proven track record.

Nationally, since 1996, the AMBER Alert has been credited with the safe return of 42 children to their families, including one case in which an abductor reportedly released the child after hearing the alert himself.

I would like to briefly describe two of these cases: the rescues of 10 year-old Nichole Timmons from Riverside and four-year old Jessica Cortez from Los Angeles.

Last fall, Nichole Timmons and her mother Sharon attended a hearing of the Senate Judiciary Subcommittee on Technology, Terrorism, and Government information on the AMBER Alert program.

In moving testimony, Sharon described how Nichole was abducted from their Riverside home on August 20, 2002 and how an AMBER Alert brought her daughter back to her within hours of the abduction.

In Nichole's case, an Alert was issued not just in California, but in Nevada as well.

After learning about the Alert, a tribal police officer in Nevada spotted the truck of Nichole's abductor and stopped him within 24 hours of the abduction.

He was found with duct tape and a metal pipe.

The AMBER Alert was the only reason that Nichole was able to return home to her mother, safe.

I can't think of any testimony in support of a bill more powerful than the sight of a mother sitting next to her daughter who she thought might be gone forever.

The second case I want to mention is that of Jessica Cortez. Jessica disappeared from Echo Park in Los Angeles on August 11, 2002.

But when Jessica's abductor took her to a clinic for medical care, receptionist Denise Leon recognized Jessica from AMBER Alert and notified law enforcement.

Without the publicity generated by the Alert, Jessica could have been lost to her parents forever.

Through this legislation, we will extend to every corner of the Nation a network of AMBER Alerts that will protect our children.

This program will increase the odds that an abducted child will return to his or her family safety.

But importantly, it will deter potential abductors from taking a child in the first place.

As Mark Klaas said at a hearing on the bill last Fall, this legislation will ''save kids lives.''

Once again, let me thank Senator KAY BAILEY HUTCHISON for her tremendous leadership on this issue.

It is my hope that this bill will continue to see the strong, bipartisan support that led to its swift passage in the Senate last year. Thank you.

By Mr. SHELBY (for himself, Mr. SARBANES, Mr. BOND, Ms. MIKULSKI, Mr. BUNNING, Mr. BENNETT, Mr. ALLARD, Mr. ENZI, Mr. HAGEL, Mr. CHAFEE, Mr. JOHNSON, Mr. REED, Mr. SCHUMER, Mr. BAYH, Mr. MILLER, Ms. STABENOW, and Mr. CORZINE):

S. 122. A bill to extend the national flood insurance program; to the Committee on Banking, Housing, and Urban Affairs.

Mr. SHELBY. Mr. President, I rise today to introduce the ''National Flood Insurance Program Reauthorization Act of 2003.'' This bill, which is cosponsored by the Ranking Democrat on the Banking Committee, Senator SARBANES, as well as Senators BOND and MIKULSKI, the Chairman and Ranking Member, respectively, of the Subcommittee on VA, HUD and Independent Agencies Appropriations, will provide a one-year extension of the lapsed federal flood insurance program.

The National Flood Insurance Program, ''NFIP'', expired on December 31, 2002. The expiration of the program has prevented homeowners and home buyers from obtaining or renewing flood insurance policies in the intervening time. Since anyone buying or refinancing a home in a flood plan must have flood insurance, NFIP's expiration will block the path to home ownership for many Americans, and have a disruptive effect on residential real estate and mortgage markets.

I have a December 6, 2002 letter from Anthony S. Lowe, the Administrator of the Federal Insurance and Mitigation Administration, which goes into greater detail regarding the consequences of the expiration of the NFIP. As Director Low indicates in this letter the lapse of this authority could effect as many as 400,000 households in the month of January alone. I ask unanimous consent that this letter be printed in the RECORD.

The bill that I am introducing today simply extends the NFIP through the end of this calender year, retroactive to January 1, 2003. As such, it's purpose is the same as S. 13, which the Senate passed last November 20th.

The House passed companion legislation this week, and it is our hope to have a short term extension of the NFIP enacted into law as soon as possible. This will permit the two Houses of Congress to consider the larger issues confronting the NFIP in a deliberate manner, without creating hardship for homeowners and undue turmoil in our nation's real estate markets.

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

FEDERAL EMERGENCY MANAGEMENT AGENCY,
Washington, DC, December 6, 2002.

U.S. Senate,
Washington, DC.

DEAR SENATOR: On December 31, 2002, certain basic authorities for the Federal Emergency Management Agency's National Flood Insurance Program (NFIP) will expire. The continuing resolution (P.L. 107–294), which extends FY 02 baseline funding through January 11, 2003, does not extend NFIP authorization. This lapse in authority in January alone could affect as many as 400,000 households seeking to obtain or renew a flood insurance policy in nearly 20,000 communities in all 50 States and territories.

In particular, the lack of authorization for NFIP to issue and renew policies will cause significant disruption to policyholders, the lending and real estate industries, secondary mortgage market, many private insurance companies writing flood insurance under arrangements with the NFIP, and particularly those seeking home loans or mortgage refinancing that requires flood insurance as a precondition to settlement.

The lapse in authorization will also have a negative impact on public entities that provide or require flood insurance, including Fannie Mae and Freddie Mac, which together control about 85% of the secondary mortgage market in the country. In addition, since policy renewal billing is generally conducted 45–90 days prior to expiration of a policy, unless our authority to renew policies is reauthorized immediately, many more individuals will be impacted than the above initial estimate.

The four authorities requiring reauthorization are sections 1309(a)(2), 1391, 1336 and 1376(c) of the National Flood Insurance Act of 1968 (P.L. 90–448). Should they lapse, the resulting uninsured flood losses could impose significant hardship on citizens, and increase costs to the Federal government and the States. I would urge Congress to act as quickly as possible to reauthorize this important program effective January 1, 2003. Should you have any questions on this issue, please do not hesitate to contact our Congressional and Intergovernmental Affairs Division at (202) 646–4500. Thank you for your consideration.

Sincerely,

ANTHONY S. LOWE,
Administrator,
Federal Insurance and Mitigation Administration.

Mr. SARBANES. Mr. President, I am pleased to join with Senator SHELBY and others of my colleagues in introducing the National Flood Insurance Program Reauthorization Act of 2003. This legislation is similar to legislation I introduced last year S. 13, which would have reauthorized the National Flood Insurance Program (NFIP), for one year, preventing a lapse in the Federal Emergency Management Agency's authority to administer this important program. The Senate passed this bill on November 20, 2002, but unfortunately, the House of Representatives did not consider it before adjourning for the year. FEMA's authority to manage the NFIP expired on December 31, 2002.

FEMA has estimated that even a brief lapse in its authority to run the NFIP could affect approximately 500,000 households seeking to obtain or maintain flood insurance, which in many cases is a precondition for settlement of a mortgage or home loan. The NFIP was created by Congress in 1968 in response to the lack of such insurance being offered by the private sector. This program made flood insurance available in communities that adopted flood plain management regulations designed to reduce future damages from flooding, and it is now available in almost 20,000 participating communities nationwide. As of September 30, 2002, the NFIP had almost 4.4 million policies in force, representing more than 90 percent of the flood insurance in the United States. The availability of flood insurance helps Americans prepare for floods, while reducing the need for federal disaster assistance after a flood.

The unfortunate lapse in FEMA's authority has caused confusion and uncertainty in the real estate industry for both lenders and borrowers. The Federal Insurance and Mitigation Administration within FEMA has made efforts to work with the banking regulators, the lending community, and other stakeholders to address their concerns about the lapse in FEMA's authority. While these efforts have been helpful, the only effective solution is a rapid reauthorization of this program by the Congress.

The legislation we are introducing today makes reauthorization of the NFIP retroactive to December 31, 2002, to minimize any disruption that would be caused by a lapse in FEMA's authority. We have worked closely with FEMA in developing this language, and it is supported by a coalition of industry representatives, including America's Community Bankers, the American Bankers Association, the American Insurance Association, the American Society of Appraisers, the Appraisal Institute, Fannie Mae. Farmers Insurance Group, Freddie Mac, Independent Insurance Agent & Brokers of America, the Mortgage Bankers Association, the National Association of Homebuilders, the National Association of Mortgage Brokers, the National Association of Professional Insurance Agents, and the National Association of Realtors.

Property owners and mortgage lenders throughout the country rely on the NFIP to insure their properties against flood damage. Unless the NFIP is reauthorized, that protection will disappear. I urge my colleagues to support swift passage of this urgently needed legislation.

By Mr. KYL:

S. 123. A bill to exclude United States persons from the definition of ''foreign power'' under the Foreign Intelligence Surveillance Act of 1978 relating to international terrorism; to the Committee on the Judiciary.

Mr. KYL. Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 123

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

SECTION 1. EXCLUSION OF UNITED STATES PERSONS FROM DEFINITION OF FOREIGN POWER IN FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978 RELATING TO INTERNATIONAL TERRORISM.

Paragraph (4) of section 101(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(a)) is amended to read as follows:

''(4) a person, other than a United States person, or group that is engaged in international terrorism or activities in preparation therefor;''.

By Mrs. FEINSTEIN (for herself and Mr. CHAFEE):

S. 126. A bill to amend the Internal Revenue Code of 1986 to suspend future reductions of the highest income tax rate if there exists a Federal on-budget deficit; to the Committee on Finance.

Mrs. FEINSTEIN. Mr. President, I rise to introduce a bill, with Senator CHAFEE, to freeze the top income tax rate at its current level of 38.6 percent, until such time as the Federal budget returns to surpluses. We believe the ballooning deficit is bad for the economy, bad for interest rates, and bad for the health of the Nation.

Under current law, the top income tax rate is scheduled to drop from 38.6 percent to 37.6 percent in 2004 and then to 35 percent in 2006. This rate is applied to the adjusted gross income of those who earn over $312,000. This top rate freeze would save $88 billion between now and 2010, and $132 billion through 2012, every penny of which would go toward reducing the Federal deficit.

Everyone should understand that this top tax rate is paid by just 908,000 of the more than 128 million taxpayers nationwide, just 0.7 percent of American taxpayers. This is not a time for tax policies which benefit only a small portion of the population. It is a time for fiscally responsible policies that will ensure long-term growth and provide an immediate stimulus to our economy.

In June 2001, I voted for the President's tax plan. It was truly a different time: 9/11 had not taken place; war had not appeared on the horizon; revelations of corporate fraud had not surfaced; and a recession was not evident.

Those times are as different from today as day is from night. At the time, Senator CHAFEE and I, along with twelve other Senators from both parties, supported a ''trigger'' on the 2001 tax reduction. This would have frozen future tax reductions under the Bush Tax Cut if the budget returned to deficit. Unfortunately, we were able to attract only 49 votes on the amendment. I wish we had that trigger today.

Now, it is estimated that we face $1.4 trillion in cumulative budget deficits between now and 2012. And that is why we return to the idea of the trigger. I believe that we should not allow the rate reduction for the top rate to proceed, until we return to budget surpluses.

And that brings us to the Bush Administration's $674 billion tax cut and economic stimulus package. In my view, this is the wrong plan at the wrong time. It digs the Nation deeper into debt. It is not a stimulus. It is skewed to the wealthy. And it severely limits the government's ability to pay for needed programs, like education, transportation, and law enforcement.

First, the President's plan would be a major contributor to massive budget deficits. The proposal would result in a budget deficit of approximately $482 billion this year alone, if the social security trust fund surpluses were not used to fund the budget. Using the social security trust fund, the deficit would still be $312 billion. This does not include the costs of a possible war with Iraq, an extension of Federal unemployment benefits, and the FY 2003 and FY 2004 appropriations bills.

Furthermore, as the Federal debt increases, the government will spend billions more in tax dollars on servicing the debt, instead of priorities like homeland security, healthcare, education, transportation, or the environment. Interest on the debt over ten years is already projected to be $1.3 trillion higher than expected, even before this new package, and this package would add more than $100 billion in new interest payments over the next ten years. Unlike home mortgage payments, interest on the debt is rolled over and compounds, which makes a rising debt extremely dangerous over the long-term.

Second, the President's tax cut is skewed to the wealthiest 1 percent of Americans. Taxpayers with income over 1 million would receive an average of more than $88,000 in benefits, while the typical middle-income taxpayer would only benefit by $265. This is clearly unfair. In fact one-third of all benefits would go to the wealthiest 1 percent, while less than 10 percent of the benefits would go to the 60 percent of taxpayers making under $54,000.

Third, the proposal is not stimulative. The central feature of the Administration's plan, an elimination of taxes on corporate dividends, would not begin to be felt until April 2004. And when those savings do kick in, they would largely benefit the wealthiest people—with more than half the benefits, $225 billion, going to the top five percent of taxpayers. So to say this is a stimulus is simply inaccurate and misleading.

So, today we are urging the Senate to consider freezing a single element of the 2001 tax package. I urge my colleagues to approve a fiscally responsible package of tax proposals that reduce the deficit and stimulate the economy, instead of a massive tax cut which will do neither.

Mr. President, I request that the attached table be included for the RECORD with my statement of support for the Feinstein-Chafee Fiscal Responsibility Act of 2003.

There being no objection, the material was ordered to be printed in the RECORDS, as follows:

TABLE 2.—TOP FEDERAL TAX BRACKET TAXPAYERS, BY STATE 2001

State	All tax units: No. in top bracket	All tax units: Percent in top bracket	Total tax units	Units not in top bracket
Alabama	10,805	0.5	2,057,000	2,046,195
Alaska	1,731	0.6	282,000	280,269
Arizona	13,843	0.7	2,112,000	2,098,157
Arkansas	4,607	0.4	1,217,000	1,212,393
California	133,060	0.9	14,398,000	14,264,940
Colorado	16,717	0.8	2,024,000	2,007,283
Connecticut	16,019	1.0	1,595,000	1,578,981
Delaware	2,917	0.8	371,000	368,083
District of Columbia	2,845	1.1	256,000	253,155
Florida	58,928	0.8	7,645,000	7,586,072
Georgia	23,853	0.6	3,756,000	3,732,147
Hawaii	2,409	0.4	567,000	564,591
Idaho	2,876	0.5	565,000	562,124
Illinois	52,255	0.9	5,730,000	5,677,745
Indiana	17,112	0.6	2,821,000	2,803,888
Iowa	7,244	0.5	1,389,000	1,381,756
Kansas	7,174	0.6	1,244,000	1,236,826
Kentucky	8,237	0.4	1,884,000	1,875,763
Louisiana	9,534	0.5	1,981,000	1,971,466
Maine	2,858	0.5	611,000	608,142
Maryland	16,578	0.7	2,494,000	2,477,422
Massachusetts	20,520	0.7	3,092,000	3,071,480
Michigan	29,601	0.6	4,600,000	4,570,399
Minnesota	20,447	0.9	2,307,000	2,286,553
Mississippi	5,989	0.5	1,296,000	1,290,011
Missouri	15,772	0.6	2,631,000	2,615,228
Montana	1,422	0.3	421,000	419,578
Nebraska	4,373	0.5	803,000	798,627
Nevada	8,494	0.9	934,000	925,506
New Hampshire	4,121	0.7	589,000	584,879
New Jersey	42,379	1.1	3,909,000	3,866,621
New Mexico	2,367	0.3	768,000	765,633
New York	68,372	0.8	8,700,000	8,631,628
North Carolina	21,201	0.6	3,778,000	3,756,799
North Dakota	1,241	0.4	293,000	291,759
Ohio	26,723	0.5	5,630,000	5,603,277
Oklahoma	7,007	0.5	1,483,000	1,475,993
Oregon	9,264	0.6	1,623,000	1,613,736
Pennsylvania	39,987	0.7	5,833,000	5,793,013
Rhode Island	3,100	0.6	486,000	482,900
South Carolina	8,710	0.5	1,858,000	1,849,290
South Dakota	1,693	0.5	340,000	338,307
Tennessee	15,216	0.6	2,686,000	2,670,784
Texas	54,705	0.6	8,922,000	8,867,295
Utah	5,646	0.6	896,000	890,354
Vermont	1,412	0.5	287,000	285,588
Virginia	21,366	0.6	3,318,000	3,296,634
Washington	23,391	0.8	2,799,000	2,775,609
West Virginia	2,213	0.3	842,000	839,787
Wisconsin	15,597	0.6	2,517,000	2,501,403
Wyoming	1,211	0.5	229,000	227,789
U.S. Totals	907,990	0.7	128,869,000	127,961,010

NOTE: US totals include returns filed from other areas.
SOURCE: ITEP Tax Model, Preliminary.
Citizens for Tax Justice, May 7, 2001.

By Mrs. BOXER (for herself and Ms. SNOWE):

S. 127. A bill to allow a custodial parent a bad debt deduction for unpaid child support payments, and to require a parent who is chronically delinquent in child support to include the amount of the unpaid obligation in gross income; to the Committee on Finance.

Mrs. BOXER. Mr. President, today I am reintroducing the child Support Enforcement Act. This bill will bring much-needed relief to the millions of families who are not receiving the child support they desperately need.

The importance of this bill is clear. Each year, nearly 60 percent of the 20 million children who are owed child support receive less than the amount they are due. And more than 30 percent receive no payment at all. California is no exception; preliminary findings from the 2000 Census Report found that of more than 2.3 million Californians who were owed child support, only 39 percent received those payments.

Clearly, millions of individuals, largely women and children, are in crisis when it comes to child support. It is time to treat delinquent child support the same way all other bad debt is treated in the tax law.

The Child Support Enforcement Act would allow custodial parents to deduct the amount of child support they are owed from their adjusted gross income on their income taxes. This is true for all taxpayers, regardless of whether they itemize.

This bill will also penalize the noncustodial parent who is not paying his or her legally obligated child support. It will force the deadbeat parent to add the owed amount to his adjusted gross income.

This is not creating new tax law. It is extending current tax law on bad debts to delinquent child support payments. It's that simple.

The relief provided in this bill is extremely important for single parents. Child support payments can literally mean the difference between paying rent or being homeless; the difference between putting food on the table or being forced to let children go hungry; the difference between making ends meet or going on welfare.

I am pleased to be joined in the effort by Senator SNOWE. And Representative COX has introduced the House version of the bill this week as well. As you can see, this is not a partisan issue. This is a family issue. It will help families and children nationwide. I urge my colleagues to cosponsor this bill.

By Mr. FEINGOLD:

S. 128. A bill to assist in the conservation of cranes by supporting and providing, through projects of persons and organizations with expertise in crane conservation, financial resources for the conservation programs of countries in activities of which directly or indirectly affect cranes; to the Committee on Environment and Public Works.

Mr. FEINGOLD. Mr. President, I rise today to introduce the Crane Conservation Act of 2003. I am very pleased that the Senator from Louisiana, Ms. LANDRIEU, has joined me as a cosponsor of this bill. I propose this legislation in the hope that Congress will do its part to protect the existence of these birds, whose cultural significance and popular appeal can be seen worldwide. This legislation is important to the people of Wisconsin, as our State provides habitat and refuge to several crane species. But this legislation, which authorizes the United States Fish and Wildlife Service to distribute funds and grants to crane conservation efforts both domestically and in developing countries, promises to have a larger environmental and cultural impact that will go far beyond the boundaries of my home State. This bill is similar to legislation that I introduced in the 107th Congress, which was reported by the Environment and Public Works Committee but unfortunately did not receive floor action before the Congress adjourned. I have incorporated many of the changes made to my bill by the Environment Committee last year, and I hope that, by doing so, this bill can be swiftly reported and passed.

In October of 1994, Congress passed and the President signed the Rhinoceros and Tiger Conservation Act. The passage of this act provided support for multinational rhino and tiger conservation through the creation of the Rhinoceros and Tiger Conservation Fund, or RTCF. Administered by the United States Fish and Wildlife Service, the RTCF distributes up to $10 million in grants every year to conservation groups to support projects in developing countries. Since its establishment in 1994, the RTCF has been expanded by Congress to cover other species, such as elephants and great apes.

Today, with the legislation I am introducing, I am asking Congress to add cranes to this list. Cranes are the most endangered family of birds in the world, with ten of the world's fifteen species at risk of extinction. Specifically, this legislation would authorize up to $3 million of funds per year to be distributed in the form of conservation project grants to protect cranes and their habitat. The financial resources authorized by this bill can be made available to qualifying conservation groups operating in Asia, Africa, and North America. The program is authorized from Fiscal Year 2004 through Fiscal Year 2008.

In keeping with my belief that we should balance the budget, this bill proposes that the $15 million in authorized spending over five years for the Crane Conservation Act established in this legislation should be offset by rescinding $18 million in unspent funds from funds carried over by the Department of Energy's Clean Coal Technology Program in the Fiscal Year 2002 Energy and Water Appropriations Bill. The Secretary of the Interior would be required to transfer any funds it does not expend under the Crane Conservation Act back to the Treasury at the end of Fiscal Year 2007. I do not intend my bill to make any particular judgments about the Clean Coal program or its effectiveness, but I do think, in general, that programs should expend resources that we appropriate in a timely fashion.

I am offering this legislation due to the serious and significant decline that can be expected in crane populations worldwide without conservation efforts. The decline of the North American whooping crane, the rarest crane on earth, perfectly illustrates the dangers faced by these birds. In 1941, only 21 whooping cranes existed in the entire world. This stands in contrast to the almost 400 birds in existence today. The North American whooping crane's resurgence is attributed to the birds' tenacity for survival and to the efforts of conservationists in the United States and Canada. Today, the only wild flock of North American whooping cranes breeds in northwest Canada, and spends its winters in coastal Texas. Two new flocks of cranes are currently being reintroduced to the wild, one of which is a migratory flock on the Wisconsin to Florida flyway.

This flock of birds illustrates that any effort by Congress to regulate crane conservation needs to cross both national and international lines. As this flock of birds makes its journey from Wisconsin to Florida, the birds rely on the ecosystems of a multitude of states in this country. In its journey from the Necedah National Wildlife Refuge in Wisconsin to the Chassahowitzka National Wildlife Refuge in Florida in the fall and eventual return to my home state in the spring, this flock also faces threats from pollution of traditional watering grounds, collision with utility lines, human disturbance, disease, predation, loss of genetic diversity within the population, and vulnerability to catastrophes, both natural and man-made. Despite the conservation efforts taken since 1941, this symbol of conservation is still very much in danger of extinction.

While over the course of the last half-century, North American whooping cranes have begun to make a slow recovery, many species of crane in Africa and Asia have declined, including the sarus crane of Asia and the wattled crane of Africa.

The sarus crane stands four feet tall and can be found in the wetlands of northern India and south Asia. These birds require large, open, well watered plains or marshes to breed and survive.

Due to agricultural expansion, industrial development, river basin development, pollution, warfare, and heavy use of pesticides prevalent in India and southeast Asia, the sarus crane population has been in decline. Furthermore, in many areas, a high human population concentration compounds these factors. On the Mekong River, which runs through Cambodia, Vietnam, Laos, Thailand, and China, human population growth and planned development projects threaten the sarus crane. Reports from India, Cambodia, and Thailand have also cited incidences of the trading of adult birds and chicks, as well as hunting and egg stealing in the drop-in population of the sarus crane.

Only three subspecies of the sarus crane exist today. One resides in northern India and Nepal, one resides in southeast Asia, and one resides in northern Australia. Their population is about 8,000 in the main Indian population, with recent numbers showing a rapid decline. In Southeast Asia, only 1,000 birds remain.

The situation of the sarus crane in Asia is mirrored by the situation of the wattled crane in Africa. In Africa, the wattled crane is found in the southern and eastern regions, with an isolated population in the mountains of Ethiopia. Current population estimates range between 6,000 to 8,000 and are declining rapidly, due to loss and degradation of wetland habitats, as well as intensified agriculture, dam construction, and industrialization. In other parts of the range, the creation of dams has changed the dynamics of the flood plains, thus further endangering these cranes and their habitats. Human disturbance at or near breeding sites also continues to be a major threat. Lack of oversight and education over the actions of people, industry, and agriculture is leading to reduced preservation for the lands on which cranes live, thereby threatening the ability of cranes to survive in these regions.

If we do not act now, not only will cranes face extinction, but the ecosystems that depend on their contributions will suffer. With the decline of the crane population, the wetlands and marshes they inhabit can potentially be thrown off balance. I urge my colleagues to join me in supporting legislation that can provide funding to the local farming, education and enforcement projects that can have the greatest positive effect on the preservation of both cranes and fragile habitats. This small investment can secure the future of these exemplary birds and the beautiful areas in which they live. Therefore, I ask my colleagues to support the Crane Conservation Act of 2003.

By Mrs. BOXER (for herself, Mr. BIDEN, Mr. HOLLINGS, Mr. KERRY, and Ms. CANTWELL):

S. 130. A bill to amend the labeling requirements of the Dolphin Protection Consumer Information Act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mrs. BOXER. Mr. President, today I am introducing the "Truth in Tuna Labeling Act." This important legislation will ensure that the fishing of tuna labeled ''dolphin safe'' does not kill, harm or attack dolphins, and that consumers are given accurate information on how the tuna they purchase is caught. My bill will guarantee that tuna products labeled ''dolphin safe'' will be truly safe for dolphins.

In 1990, the Dolphin Protection Consumer Information Act, introduced by myself in the House and Senator BIDEN in the Senate, created a ''dolphin safe'' label for consumers. This legislation was passed with overwhelming bipartisan support, and it allowed American consumers to buy tuna bearing the ''dolphin safe'' label with confidence, knowing that their purchase did not trade dolphin mortalities for tuna fishing profit.

Dolphin and yellowfin tuna tend to run together in some waters. Dolphin swim closer to the surface to breathe. Under the destructive ''chase and encirclement'' practice, helicopters spot the schools of dolphin. Speedboats deliberately encircle the dolphins and cast a mile-wide net, knowing that the tuna will be below. While the tunas are to be harvested, the hope is that the dolphins will escape the edges of the net and suffocation or capture. This practice is termed ''purse seine netting.''

According to the annual reports of the Marine Mammal Commission and the Inter-American Tropical Tuna Commission, dolphin mortality in the eastern tropical Pacific alone has decreased from more than 100,000 dolphin kills each year to fewer than 2,000 kills each year since the passage of the ''dolphin safe'' label in 1990.

Unfortunately, on New Year's Eve, the Commerce Department announced its plans to make the labeling standard largely meaningless by changing the definition of ''dolphin safe'' tuna to allow the label to be put on tuna harvested through deadly purse seine netting.

This flies in the face of all available scientific information.

According to the Marine Mammal Commission, ''. . . the results of the [National Marine Fisheries] Service's research program . . . provide evidence that the practice of chasing and encircling dolphins is having adverse effects on the recover of depleted dolphin stocks and that the magnitude of those effects, at both the individual and population levels, may be significant.''

The report prepared by the Commerce Department reached a similar conclusion. It said, ''. . . despite considerable effort by fishery scientists, there is little evidence of recovery, and concerns remain that the practice of chasing and circling dolphins somehow is adversely affecting the ability of those depleted stocks to recover.''

The new rule completely undermines the integrity of the ''dolphin safe'' label, allowing ''dolphin safe'' labels to be placed on dolphin deadly tuna, and misleading the public. These changes fly in the face of the bipartisan legislation that was enacted in response to public outcry and consumer demand.

As one who fought in the past to protect dolphins and inform consumers, I believe that the effectiveness of the label will be severely undermined by the change and will allow the continued deterioration of dolphin populations. This administration has once again continued its attack on the environment by weakening protections for marine mammals, ignoring science, and providing yet another favor to industry.

Therefore, I am introducing the ''Truth in Tuna Labeling Act'' to reinstate the original ''dolphin safe'' label.

By Mr. REID (for himself, Mrs. CLINTON, Mr. JEFFORDS, Mr. LIEBERMAN, Mr. HARKIN, and Mr. EDWARDS):

S. 131. A bill to amend the Atomic Energy Act of 1954 and the Energy Reorganization Act of 1974 to strengthen security at sensitive nuclear facilities; to the Committee on Environment and Public Works.

Mr. REID. Mr. President. Today I am joined by Senators CLINTON, JEFFORDS, LIEBERMAN, HARKIN and EDWARDS in introducing the Nuclear Security Act of 2003.

The tragedy of September 11 taught us many things. It taught us the vulnerability of our Nation's buildings and the strength of our nation's resolve. We also learned how important our first responders the brave men and women who arrive at the scene when there is an emergency. Finally, we are reminded that we must be prepared for today's threats because they could become tomorrow's attacks.

Last year, I introduced legislation to improve the safety of our Nation's nuclear power plants. Nearly one year has passed since the President warned us in his last State of the Union address how vulnerable these facilities are, but the Nuclear Regulatory Commission has still not taken any clear steps to improve the safety and security of our nation's nuclear power plants. That is not acceptable.

Recent reports by the Nuclear Regulatory Commission's Inspector General paint a bleak picture of the NRC's commitment to safety and security.

Just a few days ago, the Inspector General released a survey of NRC employees.

According to the Associated Press that survey found that a third of the Agency's employees question the agency's commitment to public safety and nearly half are not comfortable raising concerns about safety issues within the agency.

The survey also found that some NRC employees worry that safety training requirements for nuclear facilities are outdated and ''leave the security of the nuclear sites . . . vulnerable to sabotage.''

So today, we are reintroducing legislation to protect our nation's commercial nuclear facilities.

This legislation will fill the void that has been left by the NRC's unwillingness to challenge the industry when terrorists could.

In particular, it will: establish a task force—chaired by the Nuclear Regulatory Commission, NRC to take a comprehensive look at the security of our nuclear facilities.

Assign a new Federal security coordinator to each nuclear power plant. Each plant should have a dedicated NRC employee responsible for ensuring the appropriate coordination and communication between federal, state, and local emergency response and law enforcement agencies.

Establish a new antiterrorism team, which will provide additional support to the existing private security forces. This team will be a model for how to protect other potentially vulnerable elements of our energy infrastructure.

Require the NRC to update the threats nuclear power plants must protect against; Require the NRC to make a comprehensive review of emergency and security plans; Require the NRC to establish a new threat level system for nuclear power plants; Require the NRC to revise and update their hiring and training standards.

Establish a new, rigorous program to test nuclear facilities against realistic threats. This is the kind of training security guards are asking for.

In developing this bill, we listened to the concerns of guards and to the concerns of Americans who live and work near these facilities.

In opposing this bill, the Administration continues to listen instead to the nuclear power industry.

It is time the Administration lived up to its commitments to make our nation's nuclear power plants more secure.

It is time the Administration listens to the people who really matter, not the companies for whom only profit matters.

By Mr. FEINGOLD (for himself, Mr. LEVIN, Mr. CORZINE, and Mr. DURBIN):

S. 132. A bill to place a moratorium on executions by the Federal Government and urge the States to do the same, while a National Commission on the Death Penalty reviews the fairness of the imposition of the death penalty; to the Committee on the Judiciary.

Mr. FEINGOLD. Mr. President, this week, the University of Maryland released the findings of its landmark 2-year study on Maryland's death penalty system. The report reveals disturbing racial and geographic disparities in the administration of the death penalty in Maryland. It confirms the alarming conclusion that the administration of our criminal justice system's ultimate punishment is flawed and far from fair or just.

That is why I rise today to reintroduce the National Death Penalty Moratorium Act. This bill seeks to apply the wisdom of out-going Maryland Governor Parris Glendening and out-going

Illinois Governor George Ryan to the Federal Government and all States that authorize the use of capital punishment. The bill would place a moratorium on Federal executions and urge States to do the same. The bill would also create a National Commission on the Death Penalty to review the fairness of the administration of the death penalty at the State and Federal levels. This Commission would be an independent, blue ribbon panel of distinguished prosecutors, defense attorneys, jurists and others. I am pleased that my distinguished colleagues, Senators LEVIN, CORZINE, and DURBIN, have joined me in cosponsoring this bill.

The University of Maryland study was conducted by Professor Raymond Paternoster of the University's Institute of Criminal Justice and Criminology, and is the most exhaustive study of Maryland's application of the death penalty in history. Professor Paternoster and other researchers examined records of every homicide prosecution in which the death penalty could have been sought, dating back to 1978.

The study released this week found that blacks accused of killing whites are simply more likely to receive a death sentence than blacks who kill blacks, or than white killers. According to the report, black offenders who kill whites are four times as likely to be sentenced to death as blacks who kill blacks, and twice as likely to get a death sentence as whites who kill whites.

The study also confirms geographic disparity in Maryland's death penalty system. Those convicted of murder in Baltimore County, a jurisdiction with a high number of white murder victims, are 26 times as likely to be sentenced to death as those convicted in Baltimore City, and 14 times as likely as those convicted in Montgomery County.

Two years ago, when Governor Glendening learned of these suspected disparities, he did not look the other way. Then last year, faced with the rapid approach of a scheduled execution, he acknowledged that it was unacceptable to allow executions to take place while the study he had ordered was not yet complete. So, in May 2002, he placed a moratorium on executions. That was the right thing to do.

I urge Governor-elect Ehrlich to do the right thing by extending the moratorium. It would be contrary to our Nation's founding principles of fairness and justice to execute anyone in Maryland before the questions raised by the study are addressed.

The year 2002 was a landmark year for the examination of the death penalty. Last year the 102nd person was exonerated from death row in the modern death penalty era; 102 innocent people have been exonerated, in some cases just days from execution, after being found innocent of crimes for which they served sometimes years on death row. That is not a small number. In the modern death penalty era, our Nation has executed 820 people. That means that according to our best estimates, since the death penalty was reinstated in 1976, for every 8 people executed, one who had been convicted and sentenced to death has been found innocent.

That is an unacceptable high error rate in the administration of a punishment for which errors caught too late cannot be fixed. That's a rate of error with which none of us should be comfortable.

We should learn from the example set by Governor Glendening and by Governor Ryan. Their voices are two of the many that have chimed in over recent years to express doubt about the fairness of our Nation's system of capital punishment. As evidence of the flaws in our system mounts, it has created an awareness that has not escaped the attention of the American people. Layer after layer of confidence in the death penalty system has been gradually peeling away, and the voices of those questioning its fairness are growing louder and louder. Now they can be heard from college campuses and court rooms and podiums across the nation, to the Senate Judiciary Committee hearing room, to the Supreme Court. We must not ignore them.

In 2002, Governor Ryan's Commission on Capital Punishment issued its report, which concluded with 85 recommendations for reforming the death penalty system. In June 2002, I held a hearing in the Judiciary Subcommittee on the Constitution on the report of the Illinois Governor's Commission on Capital Punishment. We were fortunate to have Governor Ryan and other members of the Commission testify about the many flaws in the Illinois death penalty system and their recommendations for reform.

The Illinois study and report are invaluable to the study of fairness in our justice system. Governor Ryan's Commission provides a model for the nation for how we can respond to the indisputable proof of errors in our justice system. I am confident that as Governor Ryan leaves office next week, his greatest legacy to our nation will be the courage he showed three years ago when he suspended executions and acknowledged that the death penalty system in Illinois was broken.

If we are prepared to admit, as Illinois and Maryland have, that there are flaws in the death penalty system, then it is unconscionable to allow executions to continue without a thorough, nationwide review. The problems in the Illinois and Maryland systems are not unique to their states. Since reinstatement of the modern death penalty, 81 percent of capital cases have involved white victims, even though only 50 percent of murder victims are white. Nationwide, more than half of the death row inmates are African-Americans or Hispanic-Americans. There is evidence of racial disparities, inadequate counsel, prosecutorial misconduct, and false scientific evidence in death penalty systems across the country.

In 2002, we saw progress here in Congress in addressing problems plaguing the death penalty. The Innocence Protection Act, introduced by my distinguished colleague and ranking member on the Judiciary Committee, Senator LEAHY, was favorably reported from the Judiciary Committee in July. This legislation takes an important step by recognizing the need for access to modern DNA testing and certain minimum standards of competency for defense counsel in capital cases.

I commend Senator LEAHY and the bipartisan effort of my colleagues who helped move this important bill and I hope we will finish the job and enact it into law this year. But I also urge them and the rest of the Senate to recognize that if we are prepared to admit that we need these reforms, a time-out is also needed to ensure that we do not execute a single innocent person. The stakes are too high and the consequences are far too devastating to allow executions to proceed.

Also in 2002, in a significant turning point for our Nation, the Supreme Court reversed itself and ruled unconstitutional the execution of the mentally retarded in Atkins versus Virginia. The Court's decision further confirms that our Nation's standards of decency concerning the ultimate punishment are indeed evolving and maturing.

While last year's events are steps toward fairness and indications of progress, they also serve as shocking reminders that our system is seriously flawed. The statistics reflecting unfairness and stories of innocent people wrongly convicted are clear and disturbing to all Americans who believe in the founding principles of our Nation, liberty and justice for all.

When examined collectively, these facts paint a devastating picture that needs to be examined in much greater detail.

That is why I urge my colleagues to join me in cosponsoring the National Death Penalty Moratorium Act.

The courts in this country have already made, by our best, conservative estimates, 102 very grave mistakes. One hundred and two mistakes in the death penalty system qualifies as a crisis. And a crisis calls for immediate action. The time for a moratorium is now.

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. 132

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 ''National Death Penalty Moratorium Act of 2003''.

TITLE I—MORATORIUM ON THE DEATH PENALTY

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) GENERAL FINDINGS.—

(A) The administration of the death penalty by the Federal government and the States should be consistent with our Nation's fundamental principles of fairness, justice, equality, and due process.

(B) Congress should consider that more than ever Americans are questioning the use of the death penalty and calling for assurances that it be fairly applied.

(C) Documented unfairness in the Federal system requires Congress to act and suspend Federal executions. Additionally, substantial evidence of unfairness throughout death penalty States justifies further investigation by Congress.

(2) ADMINISTRATION OF THE DEATH PENALTY BY THE FEDERAL GOVERNMENT.—

(A) The fairness of the administration of the Federal death penalty has recently come under serious scrutiny, specifically raising questions of racial and geographic disparities:

(i) Almost 75 percent of Federal death row inmates are members of minority groups.

(ii) A report released by the Department of Justice on September 12, 2000, found that 80 percent of defendants who were charged with death-eligible offenses under Federal law and whose cases were submitted by the United States attorneys under the Department's death penalty decision-making procedures were African American, Hispanic American, or members of other minority groups.

(iii) The Department of Justice report shows that United States attorneys in only 5 of 94 Federal districts—1 each in Virginia, Maryland, Puerto Rico, and 2 in New York—submit 40 percent of all cases in which the death penalty is considered.

(iv) The Department of Justice report shows that United States attorneys who have frequently recommended seeking the death penalty are often from States with a high number of executions under State law, including Texas, Virginia, and Missouri.

(v) The Department of Justice report shows that white defendants are more likely than black defendants to negotiate plea bargains saving them from the death penalty in Federal cases.

(vi) A study conducted by the House Judiciary Subcommittee on Civil and Constitutional Rights in 1994 concluded that 89 percent of defendants selected for capital prosecution under the Anti-Drug Abuse Act of 1988 were either African American or Hispanic American.

(vii) The National Institute of Justice has already set into motion a comprehensive study of these racial and geographic disparities.

(viii) Federal executions should not proceed until these disparities are fully studied, discussed, and the federal death penalty process is subjected to necessary remedial action.

(B) In addition to racial and geographic disparities in the administration of the federal death penalty, other serious questions exist about the fairness and reliability of federal death penalty prosecutions:

(i) Federal prosecutors rely heavily on bargained-for testimony from accomplices of the capital defendant, which is often obtained in exchange for not seeking the death penalty against the accomplices. This practice creates a serious risk of false testimony.

(ii) Federal prosecutors are not required to provide discovery sufficiently ahead of trial to permit the defense to be prepared to use this information effectively in defending their clients.

(iii) The Federal Bureau of Investigation (FBI), in increasing isolation from the rest of the nation's law enforcement agencies, refuses to make electronic recordings of interrogations that produce confessions, thus making subsequent scrutiny of the legality and reliability of such interrogations more difficult.

(iv) Federal prosecutors rely heavily on predictions of ''future dangerousness''—predictions deemed unreliable and misleading by the American Psychiatric Association and the American Psychological Association—to secure death sentences.

(3) ADMINISTRATION OF THE DEATH PENALTY BY THE STATES.—

(A) The punishment of death carries an especially heavy burden to be free from arbitrariness and discrimination. The Supreme Court has held that ''super due process'', a higher standard than that applied in regular criminal trials, is necessary to meet constitutional requirements. There is significant evidence that States are not providing this heightened level of due process. For example:

(i) In the most comprehensive review of modern death sentencing, Professor James Liebman and researchers at Columbia University found that, during the period 1973 to 1995, 68 percent of all death penalty cases reviewed were overturned due to serious constitutional errors. In the wake of the Liebman study, 6 States (Arizona, Maryland, North Carolina, Illinois, Indiana, and Nebraska) have conducted additional studies. These studies expose additional problems.

(ii) Forty percent of the cases overturned were reversed in Federal court after having been upheld by the States.

(B) The high rate of error throughout all death penalty jurisdictions suggests that there is a grave risk that innocent persons may have been, or will likely be, wrongfully executed. Although the Supreme Court has never conclusively addressed the issue of whether executing an innocent person would in and of itself violate the Constitution, in Herrara v. Collins, 506 U.S. 390 (1993), a majority of the court expressed the view that a persuasive demonstration of actual innocence would violate substantive due process rendering imposition of a death sentence unconstitutional. In any event, the wrongful conviction and sentencing of a person to death is a serious concern for many Americans. For example:

(i) After 13 innocent people were released from Illinois death row in the same period that the State had executed 12 people, on January 31, 2000, Governor George Ryan of Illinois imposed a moratorium on executions until he could be ''sure with moral certainty that no innocent man or woman is facing a lethal injection, no one will meet that fate''.

(ii) Since 1973, over 100 innocent persons sitting on death rows across the country have been exonerated, most after serving lengthy sentences.

(C) Wrongful convictions create a serious public safety problem because the true killer is still at large, while the innocent person languishes in prison.

(D) There are many systemic problems that result in innocent people being convicted such as mistaken identification, reliance on jailhouse informants, reliance on faulty forensic testing and no access to reliable DNA testing. For example:

(i) A study of cases of innocent people who were later exonerated, conducted by attorneys Barry Scheck and Peter Neufeld with ''The Innocence Project'' at Cardozo Law School, showed that mistaken identifications of eyewitnesses or victims contributed to 84 percent of the wrongful convictions.

(ii) Many persons on death row were convicted prior to 1994 and did not receive the benefit of modern DNA testing. At least 10 individuals sentenced to death have been exonerated through post-conviction DNA testing, some within days of execution. Yet in spite of the current widespread prevalence and availability of DNA testing, many States have procedural barriers blocking introduction of post-conviction DNA testing. More than 30 States have laws that require a motion for a new trial based on newly discovered evidence to be filed within 6 months or less.

(iii) The widespread use of jailhouse snitches who earn reduced charges or sentences by fabricating ''admissions'' by fellow inmates to unsolved crimes can lead to wrongful convictions.

(iv) The misuse of forensic evidence can lead to wrongful convictions. A report from the Texas Defender Service entitled ''A State of Denial: Texas and the Death Penalty'' found 160 cases of official forensic misconduct including 121 cases where expert psychiatrists testified ''with absolute certainty that the defendant would be a danger in the future'', often without even interviewing the defendant.

(E) The sixth amendment to the Constitution guarantees all accused persons access to competent counsel. The Supreme Court set out standards for determining competency in the case of Strickland v. Washington, 466 U.S. 668 (1984). Unfortunately, there is unequal access to competent counsel throughout death penalty States. For example:

(i) Ninety percent of capital defendants cannot afford to hire their own attorney.

(ii) Fewer than one-quarter of the 38 death penalty States have set any standards for competency of counsel and in those few States, these standards were set only recently. In most States, any person who passes a bar examination, even if that attorney has never represented a client in any type of case, may represent a client in a death penalty case.

(iii) Thirty-seven percent of capital cases were reversed because of ineffective assistance of counsel, according to the Columbia study.

(iv) The Texas report noted problems with Texas defense attorneys who slept through capital trials, ignored obvious exculpatory evidence, suffered discipline for ethical lapses or for being under the influence of drugs or alcohol while representing an indigent capital defendant at trial.

(v) Poor lawyering was also cited by Governor Ryan in Illinois as a basis for a moratorium. More than half of all capital defendants there were represented by lawyers who were later disciplined or disbarred for unethical conduct.

(F) The Supreme Court has held that it is a violation of the eighth amendment to impose the death penalty in a manner that is arbitrary, capricious, or discriminatory. McKlesky v. Kemp, 481 U.S. 279 (1987). Studies consistently indicate racial disparity in the application of the death penalty both for the defendants and the victims. The death penalty is disparately applied in various regions throughout the country, suggesting arbitrary administration of the death penalty based on where the prosecution takes place. For example:

(i) Since 1976, 45 percent of death row inmates were white, 43 percent were black, 9 percent were Hispanic, and 2 percent were of other racial groups. Of the victims in the underlying murder, 81 percent were white, 14 percent were black, and 4 percent were Hispanic. While over 80 percent of completed capital cases involve white victims, nationally only 50 percent of murder victims are white. These figures show a continuing trend since reinstatement of the modern death penalty of a predominance of white victims' cases and implies that white victims are considered more valuable in the criminal justice system.

(ii) Executions are conducted predominately in southern States. Ninety percent of all executions in 2000 were conducted in the south. Only 3 States outside the south, Arizona, California, and Missouri, conducted an execution in 2000. Texas accounted for almost as many executions as all the remaining States combined.

(G) The Supreme Court recently reversed itself and has ruled the execution of the mentally retarded unconstitutional and in violation of the Eighth Amendment. (Atkins v. Virginia, 536 U.S. 304 (2002)).

SEC. 102. FEDERAL AND STATE DEATH PENALTY MORATORIUM.

(a) IN GENERAL.—The Federal Government shall not carry out any sentence of death imposed under Federal law until the Congress considers the final findings and recommendations of the National Commission on the Death Penalty in the report submitted under section 202(c)(2) and the Congress enacts legislation repealing this section and implements or rejects the guidelines and procedures recommended by the Commission.

(b) SENSE OF CONGRESS.—It is the sense of Congress that each State that authorizes the use of the death penalty should enact a moratorium on executions to allow time to review whether the administration of the death penalty by that State is consistent with constitutional requirements of fairness, justice, equality, and due process.

TITLE II—NATIONAL COMMISSION ON THE DEATH PENALTY

SEC. 201. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the National Commission on the Death Penalty (in this title referred to as the ''Commission'').

(b) MEMBERSHIP.—

(1) APPOINTMENT.—Members of the Commission shall be appointed by the President in consultation with the Attorney General and the Chairmen and Ranking Members of the Committees on the Judiciary of the House of Representatives and the Senate.

(2) COMPOSITION.—The Commission shall be composed of 15 members, of whom—

(A) 3 members shall be Federal or State prosecutors;

(B) 3 members shall be attorneys experienced in capital defense;

(C) 2 members shall be current or former Federal or State judges;

(D) 2 members shall be current or former Federal or State law enforcement officials; and

(E) 5 members shall be individuals from the public or private sector who have knowledge or expertise, whether by experience or training, in matters to be studied by the Commission, which may include—

(i) officers or employees of the Federal Government or State or local governments;

(ii) members of academia, nonprofit organizations, the religious community, or industry; and

(iii) other interested individuals.

(3) BALANCED VIEWPOINTS.—In appointing the members of the Commission, the President shall, to the maximum extent practicable, ensure that the membership of the Commission is fairly balanced with respect to the opinions of the members of the Commission regarding support for or opposition to the use of the death penalty.

(4) DATE.—The appointments of the initial members of the Commission shall be made not later than 30 days after the date of enactment of this Act.

(c) PERIOD OF APPOINTMENT.—Each member shall be appointed for the life of the Commission.

(d) VACANCIES.—A vacancy in the Commission shall not affect the powers of the Commission, but shall be filled in the same manner as the original appointment.

(e) INITIAL MEETING.—Not later than 30 days after all initial members of the Commission have been appointed, the Commission shall hold the first meeting.

(f) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(g) QUORUM.—A majority of the members of the Commission shall constitute a quorum for conducting business, but a lesser number of members may hold hearings.

(h) CHAIR.—The President shall designate 1 member appointed under subsection (a) to serve as the Chair of the Commission.

(i) RULES AND PROCEDURES.—The Commission shall adopt rules and procedures to govern the proceedings of the Commission.

SEC. 202. DUTIES OF THE COMMISSION.

(a) STUDY.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of all matters relating to the administration of the death penalty to determine whether the administration of the death penalty comports with constitutional principles and requirements of fairness, justice, equality, and due process.

(2) MATTERS STUDIED.—The matters studied by the Commission shall include the following:

(A) Racial disparities in capital charging, prosecuting, and sentencing decisions.

(B) Disproportionality in capital charging, prosecuting, and sentencing decisions based on geographic location and income status of defendants or any other factor resulting in such disproportionality.

(C) Adequacy of representation of capital defendants, including consideration of the American Bar Association ''Guidelines for the Appointment and Performance of Counsel in Death Penalty Cases'' (adopted February 1989) and American Bar Association policies that are intended to encourage competency of counsel in capital cases (adopted February 1979, February 1988, February 1990, and August 1996).

(D) Whether innocent persons have been sentenced to death and the reasons these wrongful convictions have occurred.

(E) Whether the Federal Government should seek the death penalty in a State with no death penalty.

(F) Whether courts are adequately exercising independent judgment on the merits of constitutional claims in State post-conviction and Federal habeas corpus proceedings.

(G) Whether persons who were under the age of 18 at the time of their offenses should be sentenced to death after conviction of death-eligible offenses.

(H) Procedures to ensure that persons sentenced to death have access to forensic evidence and modern testing of forensic evidence, including DNA testing, when modern testing could result in new evidence of innocence.

(I) Any other law or procedure to ensure that death penalty cases are administered fairly and impartially, in accordance with the Constitution.

(b) GUIDELINES AND PROCEDURES.—

(1) IN GENERAL.—Based on the study conducted under subsection (a), the Commission shall establish guidelines and procedures for the administration of the death penalty consistent with paragraph (2).

(2) INTENT OF GUIDELINES AND PROCEDURES.—The guidelines and procedures required by this subsection shall—

(A) ensure that the death penalty cases are administered fairly and impartially, in accordance with due process;

(B) minimize the risk that innocent persons may be executed; and

(C) ensure that the death penalty is not administered in a racially discriminatory manner.

(c) REPORT.—

(1) PRELIMINARY REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Attorney General, and the Congress a preliminary report, which shall contain a preliminary statement of findings and conclusions.

(2) FINAL REPORT.—Not later than 2 years after the date of enactment of this Act, the Commission shall submit a report to the President, the Attorney General, and the Congress which shall contain a detailed statement of the findings and conclusions of the Commission, together with the recommendations of the Commission for legislation and administrative actions that implement the guidelines and procedures that the Commission considers appropriate.

SEC. 203. POWERS OF THE COMMISSION.

(a) INFORMATION FROM FEDERAL AND STATE AGENCIES.—

(1) IN GENERAL.—The Commission may secure directly from any Federal or State department or agency information that the Commission considers necessary to carry out the provisions of this title.

(2) FURNISHING OF INFORMATION.—Upon a request of the Chairperson of the Commission, the head of any Federal or State department or agency shall furnish the information requested by the Chairperson to the Commission.

(b) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(c) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(d) HEARINGS.—The Commission or, at the direction of the Commission, any subcommittee or member of the Commission, may, for the purpose of carrying out the provisions of this title—

(1) hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths that the Commission, subcommittee, or member considers advisable; and

(2) require, by subpoena or otherwise, the attendance and testimony of witnesses and the production of books, records, correspondence, memoranda, papers, documents, tapes, and materials that the Commission, subcommittee, or member considers advisable.

(e) ISSUANCE AND ENFORCEMENT OF SUBPOENAS.—

(1) ISSUANCE.—Subpoenas issued pursuant to subsection (d)—

(A) shall bear the signature of the Chairperson of the Commission; and

(B) shall be served by any person or class of persons designated by the Chairperson for that purpose.

(2) ENFORCEMENT.—

(A) IN GENERAL.—In the case of contumacy or failure to obey a subpoena issued under subsection (d), the district court of the United States for the judicial district in which the subpoenaed person resides, is served, or may be found, may issue an order requiring that person to appear at any designated place to testify or to produce documentary or other evidence.

(B) CONTEMPT.—Any failure to obey a court order issued under subparagraph (A) may be punished by the court as a contempt.

(3) TESTIMONY OF PERSONS IN CUSTODY.—A court of the United States within the jurisdiction in which testimony of a person held in custody is sought by the Commission or within the jurisdiction of which such person is held in custody, may, upon application by the Attorney General, issue a writ of habeas

corpus ad testificandum requiring the custodian to produce such person before the Commission, or before a member of the Commission or a member of the staff of the Commission designated by the Commission for such purpose.

(f) WITNESS ALLOWANCES AND FEES.—

(1) IN GENERAL.—The provisions of section 1821 of title 28, United States Code, shall apply to witnesses requested or subpoenaed to appear at any hearing of the Commission.

(2) TRAVEL EXPENSES.—The per diem and mileage allowances for witnesses shall be paid from funds available to pay the expenses of the Commission.

SEC. 204. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Members of the Commission shall serve without compensation for the services of the member to the Commission.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform the duties of the Commission.

(2) EXECUTIVE DIRECTOR.—The employment of an executive director shall be subject to confirmation by the Commission.

(3) COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and the detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5.

SEC. 205. TERMINATION OF THE COMMISSION.

The Commission shall terminate 90 days after the date on which the Commission submits its report under section 202.

SEC. 206. FUNDING.

(a) IN GENERAL.—The Commission may expend an amount not to exceed $850,000, as provided by subsection (b), to carry out this title.

(b) AVAILABILITY.—Sums appropriated to the Department of Justice shall be made available to carry out this title.

By Mr. ROCKEFELLER (for himself, Ms. COLLINS, Mr. NELSON of Nebraska, Mr. SMITH, Mrs. CLINTON, Mrs. HUTCHISON, and Mr. GRAHAM of Florida):

S. 138. A bill to temporarily increase the Federal medical assistance percentage for the medicaid program; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, this budget cycle State legislators face the largest deficits in 50 years. To balance combined budget deficits of $60 to $85 billion, most States will be forced to raise taxes and cut spending. In July of last year, 75 Senators voted to provide meaningful fiscal relief to the states. That is why I return to the floor today to introduce ‘‘The State Budget Relief Act of 2003,’’ with my friends and colleagues Senators COLLINS, BEN NELSON, and GORDON SMITH. This bipartisan legislation will provide $20 billion in immediate assistance to states to help pay for increases in Medicaid enrollment due to rising unemployment and to stop cuts in health insurance coverage, child care, education and other social services due to state budget crises.

As one of the largest State programs, Medicaid has become increasingly vulnerable as a target for cuts. In 11 States, legislators have proposed and adopted cuts that when fully implemented will strip health insurance coverage from approximately one million low-income people. Further, when governors release their budgets this month, that number is expected to climb much higher than one million. Most of these people are parents and children in working families that will go uninsured without Medicaid coverage.

If States are forced to institute further Medicaid cuts, our most vulnerable Americans will be left out in the cold. In West Virginia, Medicaid provides coverage to 14 percent of the population. Just this week, a West Virginia health clinic, which provides the only care for Medicaid patients in town, was forced to lay off 18 employees. The clinic is at risk because the State Medicaid program does not have the money to pay it for services.

These problems are not unique to West Virginia. Stories from across the country show that many states will be forced to seek solutions to their budget crises at the expense of low-income people covered by Medicaid. On December 30th, the LA Times reported that California is considering proposals that would cut coverage for 500,000 people by the end of fiscal year 2004. This is more than one-third of the total number of people, nationally, who lost coverage in all of 2001.

Some Senators might ask why we should help the States. The answer to that question is that the current economic downturn and the continuing State fiscal crises are hurting people across this country and a great many more people will be hurt in the next 18 months. The budget deficits are too large for States to cover alone without threatening the health and welfare of millions of Americans.

The bipartisan ‘‘State Budget Relief Act’’ provides a temporary increase in Federal Medicaid matching rates, which will help reduce the pressure on states to cut health insurance coverage for low-income families and individuals. It grants states money that they can use for social services such as education and child care. Finally, the bill holds States harmless for reduced Federal match rates in fiscal year 2002. As a result of these provisions, West Virginia would receive $127 million to help balance its budget.

I want to stress that this proposal is a critical component of economic stimulus. In this time of economic downturn, we need to ensure that there will be a safety net for low-income people and that states are not placing a further drag on the economy in efforts to balance their budgets. Several States have completed Medicaid economic impact studies within the last year. These reports conclude that in addition to the personal toll that loss of coverage takes on people, Medicaid cuts create an economic ripple effect by contributing to job and income losses for individuals and reduced output for businesses. The President's proposed economic stimulus package ignores this storm brewing in the States. It provides no fiscal relief for states and, in fact, worsens the problem by reducing state revenues by more than $4 billion a year through the individual tax cut on dividends.

In contrast, our bipartisan proposal provides immediate, temporary relief to States that will complement other economic stimulus strategies while protecting the health of millions of Americans. It will be effective for 18 months from April 2003. I am extremely disappointed that the Administration failed to include any real relief for the states in its own massive stimulus package. I think that is a serious mistake, and I will fight to include the proposal introduced by Senators COLLINS, BEN NELSON, GORDON SMITH and myself in any stimulus package we deal with in the Senate Finance Committee or on the floor.

I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 138

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

SECTION. 1. TEMPORARY STATE FISCAL RELIEF.

(a) TEMPORARY INCREASE OF MEDICAID FMAP.—

(1) PERMITTING MAINTENANCE OF FISCAL YEAR 2002 FMAP FOR LAST 2 CALENDAR QUARTERS OF FISCAL YEAR 2003.—Notwithstanding any other provision of law, but subject to paragraph (5), if the FMAP determined without regard to this subsection for a State for fiscal year 2003 is less than the FMAP as so determined for fiscal year 2002, the FMAP for the State for fiscal year 2002 shall be substituted for the State's FMAP for the third and fourth calendar quarters of fiscal year 2003, before the application of this subsection.

(2) PERMITTING MAINTENANCE OF FISCAL YEAR 2003 FMAP FOR FISCAL YEAR 2004.—Notwithstanding any other provision of law, but

subject to paragraph (5), if the FMAP determined without regard to this subsection for a State for fiscal year 2004 is less than the FMAP as so determined for fiscal year 2003, the FMAP for the State for fiscal year 2003 shall be substituted for the State's FMAP for each calendar quarter of fiscal year 2004, before the application of this subsection.

(3) GENERAL 2.45 PERCENTAGE POINTS INCREASE FOR LAST 2 CALENDAR QUARTERS OF FISCAL YEAR 2003 AND FISCAL YEAR 2004.—Notwithstanding any other provision of law, but subject to paragraphs (5) and (6), for each State for the third and fourth calendar quarters of fiscal year 2003 and each calendar quarter of fiscal year 2004, the FMAP (taking into account the application of paragraphs (1) and (2)) shall be increased by 2.45 percentage points.

(4) INCREASE IN CAP ON MEDICAID PAYMENTS TO TERRITORIES.—Notwithstanding any other provision of law, but subject to paragraph (6), with respect to the third and fourth calendar quarters of fiscal year 2003 and each calendar quarter of fiscal year 2004, the amounts otherwise determined for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa under subsections (f) and (g) of section 1108 of the Social Security Act (42 U.S.C. 1308) shall each be increased by an amount equal to 4.90 percent of such amounts.

(5) SCOPE OF APPLICATION.—The increases in the FMAP for a State under this subsection shall apply only for purposes of title XIX of the Social Security Act and shall not apply with respect to—

(A) disproportionate share hospital payments described in section 1923 of such Act (42 U.S.C. 1396r–4); or

(B) payments under title IV or XXI of such Act (42 U.S.C. 601 et seq. and 1397aa et seq.).

(6) STATE ELIGIBILITY.—

(A) IN GENERAL.—Subject to subparagraph (B), a State is eligible for an increase in its FMAP under paragraph (3) or an increase in a cap amount under paragraph (4) only if the eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) is no more restrictive than the eligibility under such plan (or waiver) as in effect on September 2, 2003.

(B) STATE REINSTATEMENT OF ELIGIBILITY PERMITTED.—A State that has restricted eligibility under its State plan under title XIX of the Social Security Act (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) after September 2, 2003, but prior to the date of enactment of this Act is eligible for an increase in its FMAP under paragraph (3) or an increase in a cap amount under paragraph (4) in the first calendar quarter (and subsequent calendar quarters) in which the State has reinstated eligibility that is no more restrictive than the eligibility under such plan (or waiver) as in effect on September 2, 2003.

(C) RULE OF CONSTRUCTION.—Nothing in subparagraph (A) or (B) shall be construed as affecting a State's flexibility with respect to benefits offered under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (including any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)).

(7) DEFINITIONS.—In this subsection:

(A) FMAP.—The term ''FMAP'' means the Federal medical assistance percentage, as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(B) STATE.—The term ''State'' has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(8) REPEAL.—Effective as of October 1, 2004, this subsection is repealed.

(b) ADDITIONAL TEMPORARY STATE FISCAL RELIEF.—

(1) IN GENERAL.—Title XX of the Social Security Act (42 U.S.C. 1397–1397f) is amended by adding at the end the following:

''SEC. 2008. ADDITIONAL TEMPORARY GRANTS FOR STATE FISCAL RELIEF.

''(a) IN GENERAL.—For the purpose of providing State fiscal relief allotments to States under this section, there are hereby appropriated, out of any funds in the Treasury not otherwise appropriated, $10,000,000,000. Such funds shall be available for obligation by the State through June 30, 2005, and for expenditure by the State through September 30, 2005. This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to States of amounts provided under this section.

''(b) ALLOTMENT.—Funds appropriated under subsection (a) shall be allotted by the Secretary among the States in accordance with the following table:

''State	Allotment (in dollars)
Alabama	$113,960,092
Alaska	$28,050,916
Amer. Samoa	$276,005
Arizona	$174,176,300
Arkansas	$88,932,482
California	$1,055,900,700
Colorado	$95,353,555
Connecticut	$138,136,104
Delaware	$25,691,623
District of Columbia	$43,356,542
Florida	$416,437,302
Georgia	$245,721,379
Guam	$446,563
Hawaii	$30,891,959
Idaho	$32,439,936
Illinois	$362,420,855
Indiana	$181,086,404
Iowa	$86,873,236
Kansas	$62,913,352
Kentucky	$141,415,311
Louisiana	$159,884,723
Maine	$61,854,394
Maryland	$157,333,510
Massachusetts	$315,177,172
Michigan	$290,300,805
Minnesota	$201,619,700
Mississippi	$117,970,775
Missouri	$201,689,388
Montana	$24,291,445
Nebraska	$53,033,542
Nevada	$34,887,749
New Hampshire	$36,067,567
New Jersey	$274,636,614
New Mexico	$75,233,465
New York	$1,588,884,965
North Carolina	$293,161,659
North Dakota	$18,169,187
N. Mariana Islands	$155,920
Ohio	$410,965,675
Oklahoma	$97,493,874
Oregon	$111,334,973
Pennsylvania	$497,241,778
Puerto Rico	$12,610,820
Rhode Island	$53,399,083
South Carolina	$122,811,620
South Dakota	$20,201,430
Tennessee	$233,515,925
Texas	$543,148,021
Utah	$42,281,420
Vermont	$27,033,142
Virgin Islands	$416,332
Virginia	$143,436,753
Washington	$199,131,541
West Virginia	$63,879,139
Wisconsin	$180,600,752
Wyoming	$11,664,525
Total	**$10,000,000,000**

''(c) USE OF FUNDS.—Funds appropriated under this section may be used by a State for services directed at the goals set forth in section 2001, subject to the requirements of this title.

''(d) PAYMENT TO STATES.—Not later than 30 days after amounts are appropriated under subsection (a), in addition to any payment made under section 2002 or 2007, the Secretary shall make a lump sum payment to a State of the total amount of the allotment for the State as specified in subsection (b).

''(e) DEFINITION.—For purposes of this section, the term 'State' means the 50 States, the District of Columbia, and the territories contained in the list under subsection (b).''.

(2) REPEAL.—Effective as of October 1, 2005, section 2008 of the Social Security Act, as added by paragraph (1), is repealed.

(c) GAO STUDY AND REPORT.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study to determine the most appropriate data and methodology to use to determine the Federal medical assistance percentage for purposes of programs authorized under the Social Security Act.

(2) REPORT.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to Congress on the study conducted under paragraph (1).

Mr. NELSON of Nebraska. Mr. President, today I am pleased to introduce legislation to assist State governments badly hurt by poor economic conditions and declining revenue. This legislation, that I am proud to be introducing with my good friends Senators COLLINS and ROCKEFELLER, will provide $20 billion in Federal assistance to States.

Last July, 75 of our colleagues agreed with us that we need to help the States and passed a similar plan that we authored. Unfortunately, the House failed to act on our bill. In that timeframe, the budget situation in the States has gotten worse, not better. New estimates show the States facing a $60 to $85 billion shortfall next year. This is why I come to the floor today to introduce ''The State Budget Relief Act of 2003.''

The Federal and State governments are a partnership. When State governments are in a budget crisis, the Federal Government must step in and fulfill the obligations to the programs people rely on. We have the same constituents and the same goals.

The bipartisan fiscal relief package will provide assistance through a temporary increase in the Federal Medical Assistance Percentage, FMAP, of Medicaid and $10 billion in social service block grants. This bill strikes a good balance by providing direct relief to Medicaid, which is one of the fastest growing programs in State budgets, while giving Governors needed flexibility through the block grants. This 18-month package will provide over $104 million in new funds to Nebraska.

As a former Governor, I know how hard it is for States to maintain a balanced budget. I urge my colleagues to support this legislation and take that step to avert, at least in part, potentially damaging cuts to Medicaid as well as to other social services programs. If we do not help the States, any other Federal economic stimulus will likely be lost in State and local tax hikes and spending cuts.

By Mr. LIEBERMAN (for himself and Mr. MCCAIN):

S. 139. A bill to provide for a program of scientific research on abrupt climate change, to accelerate the reduction of greenhouse gas emissions in the United States by establishing a market-driven system of greenhouse gas tradeable allowances that could be used interchangably with passenger vehicle fuel economy standard credits, to limit greenhouse gas emissions in the United States and reduce dependence upon foreign oil, and ensure benefits to consumers from the trading in such allowances; to the Committee on Environment and Public Works.

Mr. LIEBERMAN. Mr. President, I rise today to join my friend and colleague, Senator MCCAIN, to introduce the first ever comprehensive legislation to limit the emissions of greenhouse gases in the United States. Today we take the first step up a long mountain road, a road that will culminate with this country taking credible action to address the global problems of our warming planet. The rest of the world is now taking on the challenge this problem presents. The United States, as the world's largest emitter of the gases and the home of the world's strongest economy, must not have its head in the clouds.

Climate change is not a new problem. Recently, I had come across my desk a 1979 document produced by the National Academy of Sciences at the request of then-President Carter. The document says, ''When it is assumed that the CO2 content of the atmosphere has doubled, the more realistic of the modeling efforts predict a global surface warming of between 2 degrees and 3.5 degrees with greater increases at higher altitudes.'' That is remarkably similar to last year's national communication on climate change that predicted a warming of 2.5 degrees to 4 degrees over the next century. So in some sense, we have known about this problem for over two decades. That's two decades of neglect. We don't need to spin our wheels in the mud any longer. It is time to get traction. It is time to take action.

I do not believe there is any longer any credible dissent on the central question: namely, whether human-caused climate change is happening. The thermometer mercury is creeping up, glaciers are melting, and waters are rising. According to a NASA study released last month, the permanent, summer ice cap over the Arctic Ocean is disappearing far faster than previously thought and will at this rate be gone by the end of the century. And just last week, two major new research studies said global warming is already posing a dire threat to the world's plants and animals, a danger that is likely to rise dramatically, with the temperature, in the coming years.

The scientific evidence is potent and persuasive. But we've witnessed other changes across the globe that have anecdotally announced the arrival of global warming to human populations. I noticed two examples recently that resonated with me; both come from the Arctic north, and in my view are canaries in the climate change coalmine.

The first example comes from the Native American populations of Alaska and Northern Canada. In just the past few years, a robin appeared in an Inupiat village in Alaska. Unfortunately, the elders, despite an intimate awareness of their 10,000 year old language, did not know what to call the bird. You see, there is no word for robin in their language.

A second example comes from the town of Nenana, AK, which has an annual lottery to determine when a tripod placed on the frozen Tenana River would break through the ice. And over the past 50 years, that breakthrough has occurred earlier and earlier.

So, it's not only in the language of statistics that climate change is occurring. It's in the language of everyday life.

The nature of this problem is that it gets worse every year we fail to face it head on. It's not unlike the federal budget deficit. The weight of the interest payments bearing down on us grow over time and dig us deeper and deeper into a hole of our own making. So too with global warming. Today the problem is manageable. Tomorrow, quite literally, we could be up to our waists in it.

There are a few remaining skeptics who still doubt that human greenhouse gas emissions are contributing to climate change but even they should understand the wisdom of taking preventive action. Even they should realize that reducing greenhouse gas emissions now is the best insurance policy against the possibility of future catastrophe.

The question remains, then, what we should do about it. There is no easy fix. Carbon dioxide, once released, stays in our atmosphere for about a century, so any solution needs to be long-term. But I believe that the legislation we have drafted and will soon introduce will take us on the path to that ultimate solution, and do so in a way that can provide an economic boost, not an economic burden, to American businesses. Given our flagging economy, this is a critical point for us all to absorb.

Our approach works like this. The country's overall emissions will be capped, then individual companies will have the flexibility to find the most innovative and cost-effective ways to drive their emissions down. They will trade pollution credits, also called allowances, with each other rather than paying penalties to the government.

The result of that innovative model is that we will unleash and focuses the genius of American enterprise to take on a critical common challenge. And the innovation unleashed as companies compete will create a boomlet of new, high-paying jobs. It's no wonder the Wall Street Journal editorial page endorsed this approach saying that it would achieve the same amount of overall pollution reduction at a lower cost than traditional regulation, and urging the Bush Administration to sign on.

In making its endorsement, The Wall Street Journal looked, as we did, at the record. Many similar programs have helped solve pollution problems throughout the country and the world. The most well-known example is the Acid Rain Trading Program in the 1990 Clean Air Act, one of the most successful environmental programs in history and something I was proud to have a hand in creating. This program secured strict cuts in sulfur dioxide emissions from power plants at less than a quarter of the predicted costs to industry.

We have some initial reaction to our proposal from our country's leading economists, and the response has been positive. For instance, Steven DeCanio, a professor of economics at the University of California, Santa Barbara and the former staff economist on this issue in the Reagan White House, stated the following about our proposal:

> The Climate Stewardship Act of 2003 is a good first step towards the ultimate goal of stabilizing levels of greenhouse gas emissions that will prevent dangerous anthropogenic interference with the climate. The Bill embodies market mechanisms that will enable emissions reductions to be accomplished efficiently, and has provisions for an equitable allocation of the emissions permits. Funds are set aside to assist workers and communities that may be adversely affected by the transition. The Bill permits flexibility in the manner by which the emissions reductions are achieved, including allowing credits for verifiable enhancement of carbon sinks and limited international emissions trading. The proposed legislation also encourages investment in energy-efficiency technologies, as well as the establishment of a national emissions database and funding for new research. All of these features of the Bill are components of a strategy that can enable the United States to begin to make meaningful reductions in greenhouse gas emissions in a way that is supportive of economic growth and beneficial to our standard of living. It is entirely appropriate that the risks of global climate change be addressed in specific legislation at this time.

But this bill is more than a broad policy proposal. It is a detailed legislative design for the system. Our staffs have been working ardently over the past 16 months to craft a detailed proposal that could find support both in the halls of industry and amongst the nation's leading environmental organizations. Hopefully that means that both sides of the aisle in Congress will find something to their liking. I hope all involved realized that this is no marker bill; it is a comprehensive proposal. Please indulge me as I run through a few of the key details.

Our bill covers the four main sectors of the U.S. economy that emit greenhouse gases: electric utilities, industrial plants, transportation, and large commercial facilities. For each of these sectors, we ease back on the greenhouse gas accelerator, spreading the burden equally amongst the companies. The progress required is real but realistic. By the year 2010, we ask only that they return to 2000 levels. By 2016, we ask that they return to their 1990 levels, in keeping with our treaty commitment under the Rio Convention.

In doing so, we provide each participant with a generous amount of flexibility on how to comply with their obligations. There is no limit on the amount of allowances that they may obtain from other participants in the system. Moreover, companies in the system can avail themselves of ''alternative compliance'' options, including sequestration projects, international reductions, and verified reductions made by parties outside the system. Such ''alternative compliance'' options can be used to satisfy 300 percent of the average companies' obligation.

These alternative compliance options will have other benefits as well. As many members of this committee already know, sequestration projects can produce environmental benefits beyond the benefit to the climate, including reduced deforestation and more sustainable agricultural practices. Such projects also bring a needed infusion of money into the farm economy not through subsidies, but through the sale of a new ''crop,'' sequestered carbon dioxide. Even now, with a purely speculative market in greenhouse gases, Entergy Services and Pacific Northwest Direct Seed Association brokered a deal for 30,000 million metric tons of carbon over 10 years. The sale price was not divulged, but the point is that the deal was made even in the absence of a real market. Our program would greatly increase the opportunity for these types of sales by farmers.

Our businesses will benefit dramatically from the regulatory certainty that our bill will provide. Businesses now receive a confusing set of messages from the Federal Government. On the one hand, they know that, with climate change worsening every year, government will somehow and sometime have to require them to reduce their emissions. As the Conference Board recently noted in a June 2002 report, ''climate change is an issue business executives ignore at their peril.'' On the other hand, businesses are being left uncertain about Washington's ultimate global warming policy plans, and therefore have a perverse incentive to put off any real anti-pollution technology investments.

Indeed, our innovation economy more broadly is unwilling or unable to engage while the Federal Government continues to vacillate. As a result, we are losing countless dollars in new market and job opportunities. Europe and Japan already have an early head start in the pollution reduction industry. That lead will only grow if our government stands pat.

Finally, I want to mention one other, perhaps unlikely reason to support this legislation beyond our economic and environmental well being, and that's foreign policy. Many of our most important allies are much more worried about climate change than we in the United States have historically been. When the Bush administration plays down the risks of global warming and shows no interest in devising a serious solution, it frays our relationship with those allies. That's especially true since we as a nation are responsible for about a quarter of the world's total climate change problem.

We should never compromise critical American policy simply to satisfy the international community. But in this case, doing what's in our own best environmental and economic interests will also earn respect and support around the world. And lest we forget it also happens to be the right thing to do.

The Earth is not only ours to use; we are stewards of it, who must hold it in trust for future generations to live in, breathe in, and, yes, prosper in. Regrettably, this Nation's climate change policy to date has not respected our role as stewards. It is time we reverse that trend, and our bill will help do exactly that.

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. 139

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 ''Climate Stewardship Act of 2003''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

SEC. 3. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) BASELINE.—The term ''baseline'' means the historic greenhouse gas emission levels of an entity, as adjusted upward by the Administrator to reflect actual reductions that are verified in accordance with—

(A) regulations promulgated under section 201(c)(1); and

(B) relevant standards and methods developed under this title.

(3) COVERED SECTORS.—The term ''covered sectors'' means the electricity, transportation, industry, and commercial sectors, as such terms are used in the Inventory.

(4) COVERED ENTITY.—The term ''covered entity'' means an entity (including a branch, department, agency, or instrumentality of Federal, State, or local government) that—

(A) owns or controls a source of greenhouse gas emissions in the electric power, industrial, or commercial sectors of the United States economy (as defined in the Inventory), refines or imports petroleum products for use in transportation, or produces or imports hydrofluorocarbons, perfluorocarbons, or sulfur hexaflouride; and

(B) emits over 10,000 metric tons of greenhouse gas per year, measured in units of carbon dioxide equivalance, or produces or imports—

(i) petroleum products that, when combusted, will emit,

(ii) hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride that, when used, will emit, or

(iii) other greenhouse gases that, when used, will emit,

over 10,000 metric tons of greenhouse gas per year, measured in units of carbon dioxide equivalence.

(5) DATABASE.—The term ''database'' means the National Greenhouse Gas Database established under section 201.

(6) DIRECT EMISSIONS.—The term ''direct emissions'' means greenhouse gas emissions by an entity from a facility that is owned or controlled by that entity.

(7) FACILITY.—The term ''facility'' means a building, structure, or installation located on any 1 or more contiguous or adjacent properties of an entity in the United States.

(8) GREENHOUSE GAS.—The term ''greenhouse gas'' means—

(A) carbon dioxide;

(B) methane;

(C) nitrous oxide;

(D) hydrofluorocarbons;

(E) perfluorocarbons; and

(F) sulfur hexafluoride.

(9) INDIRECT EMISSIONS.—The term ''indirect emissions'' means greenhouse gas emissions that are—

(A) a result of the activities of an entity; but

(B) emitted from a facility owned or controlled by another entity; and

(C) not reported as direct emissions by the entity from which they were emitted.

(10) INVENTORY.—The term ''Inventory'' means the Inventory of U.S. Greenhouse Gas Emissions and Sinks, prepared in compliance with the United Nations Framework Convention on Climate Change Decision 3/CP.5.).

(11) PHASE I ALLOTMENT.—The term ''Phase I allotment'' means—

(A) the amount of emissions emitted by a covered sector, as identified in the Inventory for the calendar year preceding the calendar year in which this Act is enacted (reduced by the amount of allowances allocated by early and accelerated participants under section 334 of this Act); multiplied by—

(B) the result of—

(i) the total greenhouse emissions for all covered sectors for the year 2000, as identified in the 2000 Inventory; divided by

(ii) the total greenhouse emissions for all covered sectors for the calendar year preceding the date of enactment of this Act, as identified in the Inventory.

(12) PHASE II ALLOTMENT.—The term ''Phase II allotment'' means—

(A) the amount of emissions emitted by a covered sector, as identified in the Inventory for the calendar year preceding the calendar year in which this Act is enacted (reduced by the amount of allowances allocated to early and accelerated participants under section 334 of this Act); multiplied by—

(B) the result of—

(i) the total greenhouse emissions for all covered sectors for the year 1990, as identified in the 1990 Inventory; divided by

(ii) the total greenhouse emissions for all covered sectors for the calendar year preceding the date of enactment of this Act, as identified in the Inventory.

(13) REGISTRY.—The term ''registry'' means the registry of greenhouse gas emission reductions established under section 201(b)(2).

(14) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

(15) SEQUESTRATION.—

(A) IN GENERAL.—The term ''sequestration'' means the capture, long-term separation, isolidation, or removal of greenhouse gases from the atmosphere.

(B) INCLUSIONS.—The term ''sequestration'' includes—

(i) agricultural and conservation practices;

(ii) reforestation;

(iii) forest preservation; and

(iv) any other appropriate method of capture, long-term separation, isolation, or removal of greenhouse gases from the atmosphere, as determined by the Administrator.

(C) EXCLUSIONS.—The term ''sequestration'' does not include—

(i) any conversion of, or negative impact on, a native ecosystem; or

(ii) any introduction of non-native species or genetically modified organisms.

(16) SOURCE CATEGORY.—The term ''source category'' means a process or activity that leads to direct emissions of greenhouse gases, as listed in the Inventory.

TITLE I—FEDERAL CLIMATE CHANGE RESEARCH AND RELATED ACTIVITIES.

SEC. 101. NATIONAL SCIENCE FOUNDATION SCHOLARSHIPS.

The Director of the National Science Foundation shall establish a scholarship program for post-secondary students studying global climate change, including capability in observation, analysis, modeling, paleoclimatology, consequences, and adaptation.

SEC. 102. COMMERCE DEPARTMENT STUDY OF TECHNOLOGY TRANSFER BARRIERS.

(a) STUDY.—The Assistant Secretary of Technology Policy at Department of Commerce shall conduct a study of technology transfer barriers, best practices, and outcomes of technology transfer activities at Federal laboratories related to the licensing and commercialization of energy efficient technologies. The study shall be submitted to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science within 6 months after the date of enactment of this Act. The Assistant Secretary shall work with the existing interagency working group to address identified barriers.

(b) AGENCY REPORT TO INCLUDE INFORMATION ON TECHNOLOGY TRANSFER INCOME AND ROYALTIES.—Paragraph (2)(B) of section 11(f) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(f) is amended—

(1) by striking ''and'' after the semicolon in clause (vi);

(2) by redesignating clause (vii) as clause (ix); and

(3) by inserting after clause (vi) the following:

''(vii) the number of fully-executed licenses which received royalty income in the preceding fiscal year for climate-change or energy-efficient technology;

''(viii) the total earned royalty income for climate-change or energy-efficient technology; and''.

(c) INCREASED INCENTIVES FOR DEVELOPMENT OF CLIMATE-CHANGE OR ENERGY-EFFICIENT TECHNOLOGY.—Section 14(a) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c(a)) is amended—

(1) by striking ''15 percent,'' in paragraph (1)(A) and inserting ''15 percent (25 percent for climate change-related technologies),''; and

(2) by inserting ''($250,000 for climate change-related technologies)'' after ''$150,000'' each place it appears in paragraph (3).

SEC. 103. REPORT ON UNITED STATES IMPACT OF KYOTO PROTOCOL.

Within 6 months after the date of enactment of this Act, the Secretary shall submit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science on the effects that the entry into force of the Kyoto Protocol will have on—

(1) United States industry and its ability to compete globally;

(2) international cooperation on scientific research and development; and

(3) United States participation in international environmental climate change mitigation efforts and technology deployment.

SEC. 104. RESEARCH GRANTS.

Section 105 of the Global Change Research Act of 1990 (15 U.S.C. 2935) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

(c) RESEARCH GRANTS.

''(1) COMMITTEE TO DEVELOP LIST OF PRIORITY RESEARCH AREAS.—The Committee shall develop a list of priority areas for research and development on climate change that are not being addressed by Federal agencies.

''(2) DIRECTOR OF OSTP TO TRANSMIT LIST TO NSF.—the Director of the Office of Science and Technology Policy shall transmit the list to the National Science Foundation.

''(3) FUNDING THROUGH NSF.

''(A) BUDGET REQUEST.—The National Science Foundation shall include, as part of the annual request for appropriations for the Science and Technology Policy Institute, a request for appropriations to fund research in the priority areas on the list developed under paragraph (1).

''(B) AUTHORIZATION.—For fiscal year 2004 and each fiscal year thereafter, there are authorized to be appropriated to the National Science Foundation not less than $17,000,000, to be made available through the Science and Technology Policy Institute, for research in those priority areas.''.

SEC. 105. ABRUPT CLIMATE CHANGE RESEARCH.

''(a) IN GENERAL.—The Secretary, through the National Oceanic and Atmospheric Administration, shall carry out a program of scientific research on potential abrupt climate change designed—

(1) to develop a global array of terrestrial and oceanographic indicators of paleoclimate in order sufficiently to identify and describe past instances of abrupt climate change;

(2) to improve understanding of thresholds and nonlinearities in geophysical systems related to the mechanisms of abrupt climate change;

(3) to incorporate these mechanisms into advanced geophysical models of climate change; and

(4) to test the output of these models against an improved global array of records of past abrupt climate changes.

(b) ABRUPT CLIMATE CHANGE DEFINED.—In this section, the term ''abrupt climate change'' means a change in climate that occurs so rapidly or unexpectedly that human or natural systems may have difficulty adapting to it.

SEC. 106. NIST GREENHOUSE GAS FUNCTIONS.

Section 2(c) of the National Institute of Standards and Technology Act (15 U.S.C. 272(c)) is amended—

(1) by striking ''and'' after the semicolon in paragraph (21);

(2) by redesignating paragraph (22) as paragraph (23); and

(3) by inserting after paragraph (21) the following;

''(22) perform research to develop enhanced measurements, calibrations, standards, and technologies which will enable the reduced production in the United States of greenhouse gases associated with global warming, including carbon dioxide, methane, nitrous oxide, ozone, perfluorocarbons, hydrofluorocarbons, and sulfur hexafluoride; and''.

SEC. 107. DEVELOPMENT OF NEW MEASUREMENT TECHNOLOGIES.

The Secretary shall initiate a program to develop, with technical assistance from appropriate Federal agencies, innovative standards and measurement technologies (including technologies to measure carbon changes due to changes in land use cover) to calculate—

(1) greenhouse gas emissions and reductions from agriculture, forestry, and other land use practices;

(2) noncarbon dioxide greenhouse gas emissions from transportation;

(3) greenhouse gas emissions from facilities or sources using remote sensing technology; and

(4) any other greenhouse gas emission or reductions for which no accurate or reliable measurement technology exists.

SEC. 108. ENHANCED ENVIRONMENTAL MEASUREMENTS AND STANDARDS.

The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended—

(1) by redesignating sections 17 through 32 as sections 18 through 33, respectively; and

(2) by inserting after section 16 the following:

"SEC. 17. CLIMATE CHANGE STANDARDS AND PROCESSES.

"(a) IN GENERAL.—The Director shall establish within the Institute a program to perform and support research on global climate change standards and processes, with the goal of providing scientific and technical knowledge applicable to the reduction of greenhouse gases (as defined in section 3(8) of the Climate Stewardship Act of 2003).

"(b) RESEARCH PROGRAM.

"(1) IN GENERAL.—The Director is authorized to conduct, directly or through contracts or grants, a global climate change standards and processes research program.

"(2) RESEARCH PROJECTS.—The specific contents and priorities of the research program shall be determined in consultation with appropriate Federal agencies, including the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the National Aeronautics and Space Administration. The program generally shall include basic and applied research—

"(A) to develop and provide the enhanced measurements, calibrations, data, models, and reference material standards which will enable the monitoring of greenhouse gases;

"(B) to assist in establishing a baseline reference point for future trading in greenhouse gases and the measurement of progress in emissions reduction;

"(C) that will be exchanged internationally as scientific or technical information which has the stated purpose of developing mutually recognized measurements, standards, and procedures for reducing greenhouse gases; and

"(D) to assist in developing improved industrial processes designed to reduce or eliminate greenhouse gases.

"(c) NATIONAL MEASUREMENT LABORATORIES.—

"(1) IN GENERAL.—In carrying out this section, the Director shall utilize the collective skills of the National Measurement Laboratories of the National Institute of Standards and Technology to improve the accuracy of measurements that will permit better understanding and control of these industrial chemical processes and result in the reduction or elimination of greenhouse gases.

"(2) MATERIAL, PROCESS, AND BUILDING RESEARCH.—The National Measurement Laboratories shall conduct research under this subsection that includes—

"(A) developing material and manufacturing processes which are designed for energy efficiency and reduced greenhouse gas emissions into the environment;

"(B) developing environmentally-friendly, 'green' chemical processes to be used by industry; and

"(C) enhancing building performance with a focus in developing standards or tools which will help incorporate low- or no-emission technologies into building designs.

"(3) STANDARDS AND TOOLS.—The National Measurement Laboratories shall develop standards and tools under this subsection that include software to assist designers in selecting alternate building materials, performance data on materials, artificial intelligence-aided design procedures for building subsystems and 'smart buildings', and improved test methods and rating procedures for evaluating the energy performance of residential and commercial appliances and products.

"(d) NATIONAL VOLUNTARY LABORATORY ACCREDITATION PROGRAM.—The Director shall utilize the National Voluntary Laboratory Accreditation Program under this section to establish a program to include specific calibration or test standards and related methods and protocols assembled to satisfy the unique needs for accreditation in measuring the production of greenhouse gases. In carrying out this subsection the Director may cooperate with other departments and agencies of the Federal Government, State and local governments, and private organizations.".

SEC. 109. TECHNOLOGY DEVELOPMENT AND DIFFUSION.

The Director of the National Institute of Standards and Technology, through the Manufacturing Extension Partnership Program, may develop a program to support the implementation of new "green" manufacturing technologies and techniques by the more than 380,000 small manufacturers.

TITLE II—NATIONAL GREENHOUSE GAS DATABASE

SEC. 201. NATIONAL GREENHOUSE GAS DATABASE AND REGISTRY ESTABLISHED.

(a) ESTABLISHMENT.—As soon as practicable after the date of enactment of this Act, the Administrator, in coordination with the Secretary, the Secretary of Energy, the Secretary of Agriculture, and private sector and non-governmental organizations, shall establish, operate, and maintain a database, to be known as the "National Greenhouse Gas Database", to collect, verify, and analyze information on greenhouse gas emissions by entities.

(b) NATIONAL GREENHOUSE GAS DATABASE COMPONENTS.—The database shall consist of—

(1) an inventory of greenhouse gas emissions; and

(2) a registry of greenhouse gas emission reductions and increases in greenhouse gas sequestrations.

(c) COMPREHENSIVE SYSTEM.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Administrator shall promulgate regulations to implement a comprehensive system for greenhouse gas emissions reporting, inventorying, and reductions registration.

(2) REQUIREMENTS.—The Administrator shall ensure, to the maximum extent practicable, that—

(A) the comprehensive system described in paragraph (1) is designed to—

(i) maximize completeness, transparency, and accuracy of information reported; and

(ii) minimize costs incurred by entities in measuring and reporting greenhouse gas emissions; and

(B) the regulations promulgated under paragraph (1) establish procedures and protocols necessary—

(i) to prevent the reporting of some or all of the same greenhouse gas emissions or emission reductions by more than 1 reporting entity;

(ii) to provide for corrections to errors in data submitted to the database;

(iii) to provide for adjustment to data by reporting entities that have had a significant organizational change (including mergers, acquisitions, and divestiture), in order to maintain comparability among data in the database over time;

(iv) to provide for adjustments to reflect new technologies or methods for measuring or calculating greenhouse gas emissions;

(v) to account for changes in registration of ownership of emission reductions resulting from a voluntary private transaction between reporting entities; and

(vi) to clarify the responsibility for reporting in the case of any facility owned or controlled by more than 1 entity.

(3) SERIAL NUMBERS.—Through regulations promulgated under paragraph (1), the Administrator shall develop and implement a system that provides—

(A) for the verification of submitted emissions reductions;

(B) for the provision of unique serial numbers to identify the verified emission reductions made by an entity relative to the baseline of the entity; and

(C) for the tracking of the reductions associated with the serial numbers.

SEC. 202. INVENTORY OF GREENHOUSE GAS EMISSIONS FOR COVERED ENTITIES.

(a) IN GENERAL.—Not later than July 1st of each calendar year after 2008, a covered entity shall submit to the Administrator a report that describes, for the preceding calendar year, the entity-wide greenhouse gas emissions (as reported at the facility level), including—

(1) the total quantity of direct greenhouse gas emissions from stationary sources, expressed in units of carbon dioxide equivalence;

(2) the amount of petroleum products sold or imported and the amount of greenhouse gases, expressed in carbon dioxide equivalents, that would be produced when these products are used for transportation; and

(3) such other categories of emissions as the Administrator determines in the regulations promulgated under section 201(c)(1) may be practicable and useful for the purposes of this Act, such as—

(A) indirect emissions from imported electricity, heat, and steam;

(B) process and fugitive emissions; and

(C) production or importation of greenhouse gases.

(b) COLLECTION AND ANALYSIS OF DATA.—The Administrator shall collect and analyze information reported under subsection (a) for use under title III.

SEC. 203. GREENHOUSE GAS REDUCTION REPORTING.

(a) IN GENERAL.—Subject to the requirements described in subsection (b)—

(1) a covered entity may register greenhouse gas emission reductions achieved after 1990 and before 2010 under this section; and

(2) an entity that is not a covered entity may register greenhouse gas emission reductions achieved at any time since 1990 under this section.

(b) REQUIREMENTS.—

(1) IN GENERAL.—The requirements referred to in subsection (a) are that an entity (other than an entity described in paragraph (2)) shall—

(A) establish a baseline; and

(B) submit the report described in subsection (c)(1).

(2) REQUIREMENTS APPLICABLE TO ENTITIES ENTERING INTO CERTAIN AGREEMENTS.—An entity that enters into an agreement with a participant in the registry for the purpose of a carbon sequestration project shall not be required to comply with the requirements specified in paragraph (1) unless that entity is required to comply with the requirements by reason of an activity other than the agreement.

(c) REPORTS.—

(1) REQUIRED REPORT.—Not later than July 1st of the calendar year beginning more than 2 years after the date of enactment of this Act, but subject to paragraph (3), an entity described in subsection (a) shall submit to the Administrator a report that describes, for the preceding calendar year, the entity-wide greenhouse gas emissions (as reported at the facility level), including—

(A) the total quantity of direct greenhouse gas emissions from stationary sources, expressed in units of carbon dioxide equivalence;

(B) the amount of petroleum products sold or imported and the amount of greenhouse gases, expressed in carbon dioxide equivalents, that would be produced when these products are used by vehicles; and

(C) such other categories of emissions as the Administrator determines in the regulations promulgated under section 201(c)(1) may be practicable and useful for the purposes of this Act, such as—

(i) indirect emissions from imported electricity, heat, and steam;

(ii) process and fugitive emissions; and

(iii) production or importation of greenhouse gases.

(2) VOLUNTARY REPORTING.—An entity described in subsection (a) may (along with establishing a baseline and reporting emissions under this section)—

(A) submit a report described in paragraph (1) before the date specified in that paragraph for the purposes of achieving and commoditizing greenhouse gas reductions through use of the registry; and

(B) submit to the Administrator, for inclusion in the registry, information that has been verified in accordance with regulations promulgated under section 201(c)(1) and that relates to—

(i) any entity-wide greenhouse gas emission reductions activities of the entity that were carried out during or after 1990 and before the establishment of the National Greenhouse Gas Database, verified in accordance with regulations promulgated under section 201(c)(1), and submitted to the Administrator before the date that is 4 years after the date of enactment of this Act; and

(ii) with respect to the calendar year preceding the calendar year in which the information is submitted, any project or activity that results in an entity-wide reduction of greenhouse gas emissions or an increase in net sequestration of a greenhouse gas that is carried out by the entity.

(3) *Provision of verification information by reporting entities.*—Each entity that submits a report under this subsection shall provide information sufficient for the Administrator to verify, in accordance with measurement and verification methods and standards developed under section 203, that the greenhouse gas report of the reporting entity—

(A) has been accurately reported; and

(B) in the case of each voluntary report under paragraph (2), represents—

(i) actual reductions in direct greenhouse gas emissions—

(I) relative to historic emission levels of the entity; and

(II) after accounting for any increases in indirect emissions described in paragraph (1)(C)(i); or

(ii) actual increases in net sequestration.

(4) FAILURE TO SUBMIT REPORT.—An entity that participates or has participated in the registry and that fails to submit a report required under this subsection shall be prohibited from using, or allowing another entity to use, its registered emissions reductions or increases in sequestration to satisfy the requirements of section 311.

(5) INDEPENDENT THIRD-PARTY VERIFICATION.—To meet the requirements of this section and section 203, an entity that is required to submit a report under this section may—

(A) obtain independent third-party verification; and

(B) present the results of the third-party verification to the Administrator.

(6) AVAILABILITY OF DATA.—

(A) IN GENERAL.—The Administrator shall ensure that information in the database is—

(i) published; and

(ii) accessible to the public, including in electronic format on the Internet.

(B) Exception.—Subparagraph (A) shall not apply in any case in which the Administrator determines that publishing or otherwise making available information described in that subparagraph poses a risk to national security.

(7) DATA INFRASTRUCTURE.—The Administrator shall ensure, to the maximum extent practicable, that the database uses, and is integrated with, Federal, State, and regional greenhouse gas data collection and reporting systems in effect as of the date of enactment of this Act.

(8) ADDITIONAL ISSUES TO BE CONSIDERED.—In promulgating the regulations under section 201(c)(1) and implementing the database, the Administrator shall take into consideration a broad range of issues involved in establishing an effective database, including—

(A) the appropriate allowances for reporting each greenhouse gas;

(B) the data and information systems and measures necessary to identify, track, and verify greenhouse gas emissions in a manner that will encourage private sector trading and exchanges;

(C) the greenhouse gas reduction and sequestration methods and standards applied in other countries, as applicable or relevant;

(D) the extent to which available fossil fuels, greenhouse gas emissions, and greenhouse gas production and importation data are adequate to implement the database; and

(E) the differences in, and potential uniqueness of, the facilities, operations, and business and other relevant practices of persons and entities in the private and public sectors that may be expected to participate in the database.

(d) ANNUAL REPORT.—The Administrator shall publish an annual report that—

(1) describes the total greenhouse gas emissions and emission reductions reported to the database during the year covered by the report;

(2) provides entity-by-entity and sector-by-sector analyses of the emissions and emission reductions reported;

(3) describes the atmospheric concentrations of greenhouse gases; and

(4) provides a comparison of current and past atmospheric concentrations of greenhouse gases.

SEC. 204. MEASUREMENT AND VERIFICATION.

(a) STANDARDS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall develop comprehensive measurement and verification methods and standards to ensure a consistent and technically accurate record of greenhouse gas emissions, emission reductions, sequestration, and atmospheric concentrations for use in the registry.

(2) REQUIREMENTS.—The development of methods and standards under paragraph (1) shall include—

(A) a requirement that a covered entity use a continuous emissions monitoring system, or another system of measuring or estimating emissions that is determined by the Secretary to provide information with the same precision, reliability, accessibility, and timeliness as a continuous emissions monitoring system provides;

(B) establishment of standardized measurement and verification practices for reports made by all entities participating in the registry, taking into account—

(i) protocols and standards in use by entities desiring to participate in the registry as of the date of development of the methods and standards under paragraph (1);

(ii) boundary issues, such as leakage and shifted use;

(iii) avoidable of double counting of greenhouse gas emissions and emission reductions;

(iv) protocols to prevent a covered entity from avoiding the requirements of this Act by reorganization into multiple entities that are under common control; and

(v) such other factors as the Secretary, in consultation with the Administrator, determines to be appropriate;

(C) establishment of measurement and verification standards applicable to actions taken to reduce, avoid, or sequester greenhouse gas emissions;

(D) in coordination with the Secretary of Agriculture, standards to measure the results of the use of carbon sequestration and carbon recapture technologies, including—

(i) organic soil carbon sequestration practices; and

(ii) forest preservation and reforestation activities that adequately address the issues of permanence, leakage, and verification;

(E) establishment of such other measurement and verification standards as the Secretary, in consultation with the Secretary of Agriculture, the Administrator, and the Secretary of Energy, determines to be appropriate;

(F) establishment of standards for obtaining the Secretary's approval of the suitability of geological storage sites that include evaluation of both the geology of the site and the entity's capacity to manage the site; and

(G) establishment of other features that, as determined by the Secretary, will allow entities to adequately establish a fair and reliable measurement and reporting system.

(b) REVIEW AND REVISION.—The Secretary shall periodically review, and revise as necessary, the methods and standards developed under subsection (a).

(c) PUBLIC PARTICIPATION.—The Secretary shall—

(1) make available to the public for comment, in draft form and for a period of at least 90 days, the methods and standards developed under subsection (a); and

(2) after the 90-day period referred to in paragraph (1), in coordination with the Secretary of Energy, the Secretary of Agriculture, and the Administrator, adopt the methods and standards developed under subsection (a) for use in implementing the database.

(d) EXPERTS AND CONSULTANTS.—

(1) IN GENERAL.—The Secretary may obtain the services of experts and consultants in the private and nonprofit sectors in accordance with section 3109 of title 5, United States Code, in the areas of greenhouse gas measurement, certification, and emission trading.

(2) AVAILABLE ARRANGEMENTS.—In obtaining any service described in paragraph (1), the Secretary may use any available grant, contract, cooperative agreement, or other arrangement authorized by law.

TITLE III—MARKET-DRIVEN GREENHOUSE GAS REDUCTIONS

SUBTITLE A—EMISSION REDUCTION REQUIREMENTS; USE OF TRADEABLE ALLOWANCES

SEC. 311. COVERED ENTITIES MUST SUBMIT ALLOWANCES FOR EMISSIONS.

(a) IN GENERAL.—Beginning with calendar year 2010—

(1) each covered entity in the electric generation, industrial, and commercial sectors shall submit to the Administrator one tradeable allowance for every metric ton of greenhouse gases, measured in units of carbon dioxide equivalence, that it emits;

(2) producer or importer of hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride that is a covered entity shall submit to the Administrator one tradeable allowance for every metric ton of hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride it produces or imports, measured in units of carbon dioxide equivalence; and

(3) each petroleum refiner or importer that is a covered entity shall submit one tradeable allowance for every unit of petroleum product it sells that will produce one metric ton of greenhouse gases, measured in units of carbon dioxide equivalence, when used for transportation.

(b) DETERMINATION OF TRANSPORTATION SECTOR AMOUNT.—For the transportation sector, the Administrator shall determine the amount of greenhouse gases, measured in units of carbon dioxide equivalence, that will be emitted when petroleum products are used for transportation.

(c) EXCEPTION FOR CERTAIN DEPOSITED EMISSIONS.—Notwithstanding subsection (a), a covered entity is not required to submit a tradeable allowance for any amount of greenhouse gas that would otherwise have been emitted from a source under the ownership or control of that entity if—

(1) the emission is deposited in a geological storage facility approved by the Administrator under section 204(a)(2)(F); and

(2) the entity agrees to submit tradeable allowances for any portion of the deposited emission that is subsequently emitted from that facility.

SEC. 312. COMPLIANCE.

(a) IN GENERAL.—

(1) SOURCE OF TRADEABLE ALLOWANCES USED.—A covered entity may use a tradeable allowance to meet the requirements of this section without regard to whether the tradeable allowance was allocated to it under subtitle B or acquired from another entity or the Climate Change Credit Corporation established under section 351.

(2) VERIFICATION OF ADMINISTRATOR.—At various times during each year, the Administrator shall determine whether each covered entity has met the requirements of this section. In making that determination, the Administrator shall—

(A) take into account tradeable allowances allocated to, or acquired by, that covered entity; and

(B) retire the serial number assigned to each such tradeable allowance so used.

(b) ALTERNATIVE MEANS OF COMPLIANCE FROM 2010 THROUGH 2015.—For the years 2010, 2011, 2012, 2013, 2014, and 2015, a covered entity may satisfy 15 percent of its total allowance submission requirement under this section by—

(1) submitting tradeable allowances from another nation's market in greenhouse gas emissions if—

(A) the Secretary certifies that the other nation's system for trading in greenhouse gas emissions is complete, accurate, and transparent and reviews that determination at least once every 5 years;

(B) the other nation has adopted enforceable limits on its greenhouse gas emissions which the tradeable allowances were issued to implement; and

(C) the covered entity certifies that the tradeable allowance has been retired unused in the other nation's market;

(2) submitting a registered net increase in sequestration, as registered in the National Greenhouse Gas Database established under section 201, adjusted, if necessary, to comply with the accounting standards and methods established under section 372;

(3) submitting a greenhouse gas emissions reduction (other than a registered net increase in sequestration) that was registered in the National Greenhouse Gas Database by a person that is not a covered entity; or

(4) submitting credits obtained from the Administrator under section 314

(c) ALTERNATIVE MEANS OF COMPLIANCE AFTER 2015.—For years beginning after 2015, a covered entity may meet the requirements of this section by any means described in subsection (b), except that for the purpose of applying subsection (d) after 2015, ''10 percent'' shall be substituted for ''15 percent''.

SEC. 313. TRADEABLE ALLOWANCES AND FUEL ECONOMY STANDARD CREDITS.

(a) IN GENERAL.—Section 32903 of title 49, United States Code, is amended by striking the second sentence of subsection (a) and inserting ''The credits may be—

''(1) applied to any of the 3 model years immediately following the model year for which the credits are earned; or

''(2) if the average fuel economy of a manufacturer exceeds the fuel efficiency standards by more than 20 percent, sold to the registry established under section 201 of the Climate Stewardship Act of 2003.''.

(b) CONVERSION RATIO.—The Secretary of Transportation, in consultation with the Administrator, shall determine the conversion factor to be used for purposes of credits purchased from, or sold to, the registry established under section 201 of this Act and fuel economy standard credits under section 32903 of title 49, United States Code.

(c) REDUCTION OF TRANSPORTATION SECTOR ALLOCATION.—If any manufacturer sells credits under section 32903(a)(2) of title 49, United States Code, to the registry established under section 201 of this Act in any calendar year, the amount of tradeable allowances allocated to the transportation sector under section 311(b) for the next calendar year, and the total allocation of tradeable allowance available for allocation in the next calendar years, shall be reduced by an amount equivalent to the sum of the credits, measured in units of carbon dioxide equivalents, sold to the registry by such manufacturers during the preceding calendar year.

SEC. 314. BORROWING AGAINST FUTURE REDUCTIONS.

(a) IN GENERAL.—The Administrator shall establish a program under which a covered entity may—

(1) receive a credit in the current calendar year for anticipated reductions in emissions in a future calendar year; and

(2) use the credit in lieu of a tradeable allowance to meet the requirements of this Act for the current calendar year, subject to the limitation imposed by section 312(b).

(b) DETERMINATION OF TRADEABLE ALLOWANCE CREDITS.—The Administrator may make credits available under subsection (a) only for anticipated reductions in emissions that—

(1) are attributable to the realization of capital investments in equipment, the construction, reconstruction, or acquisition of facilities, or the deployment of new technologies—

(A) for which the covered entity has executed a binding contract and secured, or applied for, all necessary permits and operating or implementation authority;

(B) that will not become operational within the current calendar year; and

(C) that will become operational and begin to reduce emissions from the covered source within 5 years after the year in which the credit is used; and

(2) will be realized within 5 years after the year in which the credit is used.

(c) CARRYING COST.—If a covered entity uses a credit under this section to meet the requirements of this Act for a calendar year (referred to as the use year), the tradeable allowance requirement for the year from which the credit was taken (referred to as the source year) shall be increased by an amount equal to—

(1) 10 percent for each credit borrowed from the source year; multiplied by

(2) the number of years beginning after the use year and before the source year.

(d) MAXIMUM BORROWING PERIOD.—A credit from a year beginning more than 5 years after the current year may not be used to meet the requirements of this Act for the current year.

(e) FAILURE TO ACHIEVE REDUCTIONS GENERATING CREDIT.—If a covered entity that uses a credit under this section fails to achieve the anticipated reduction for which the credit was granted for the year from which the credit was taken, then—

(1) the covered entity's requirements under this Act for that year shall be increased by the amount of the credit, plus the amount determined under subsection (c);

(2) any tradeable allowances submitted by the covered entity for that year shall be counted first against the increase in those requirements; and

(3) the covered entity may not use credits under this section to meet the increased requirements.

SEC. 315. OTHER USES OF TRADEABLE ALLOWANCES.

(a) IN GENERAL.—Tradeable allowances may be sold, exchanged, purchased, retired, or used as provided in this section.

(b) INTERSECTOR TRADING.—Covered entities may purchase or otherwise acquire tradeable allowances from other covered sectors to satisfy the requirements of section 311.

(c) CLIMATE CHANGE CREDIT ORGANIZATION.—The Climate Change Credit Corporation established under section 351 may sell tradeable allowances allocated to it under section 332(a)(2) to any covered entity or to any investor, broker, or dealer in such tradeable allowances. The Climate Change Credit Corporation shall use all proceeds from such sales in accordance with the provisions of section 352.

(d) BANKING OF TRADEABLE ALLOWANCES.—Not withstanding the requirements of section 311, a covered entity that has more than a sufficient amount of tradeable allowances to satisfy the requirements of section 311, may refrain from submitting a tradeable allowance to satisfy the requirements in order to sell, exchange, or use the tradeable allowance in the future.

SEC. 316. EXEMPTION OF SOURCE CATEGORIES.

(a) IN GENERAL.—The Administrator may grant an exemption from the requirements of this Act to a source category if the Administrator determines, after public notice and comment, that it is not feasible to measure or estimate emissions from that source category.

(b) REDUCTION OF LIMITATIONS.—If the Administrator exempts a source category under subsection (a), the Administrator shall also reduce the total tradeable allowances under section 321(a) as follows:

(1) 2010 LIMITATION.—For the tradeable allowances under section 311(a)(1), the Administrator shall reduce the total by the amount of greenhouse gas emissions that the exempted source category emitted in calendar year 2000, as identified in the 2000 Inventory.

(2) 2016 LIMITATION.—For the tradeable allowances under subsection 311(a)(2), the Administrator shall reduce the total by the amount of green-house gas emissions that the exempted source category emitted in calendar year 1990, as identified in the 1990 Inventory.

(c) LIMITATION ON EXEMPTION.—The Administrator may not grant an exemption under subsection (a) to carbon dioxide produced from fossil fuel.

Subtitle B—Establishment and Allocation of Tradeable Allowances

SEC. 331. ESTABLISHMENT OF TRADEABLE ALLOWANCES.

(a) IN GENERAL.—The Administrator shall promulgate regulations to establish tradeable allowances, denominated in units of carbon dioxide equivalence—

(1) for calendar years beginning after 2009 and before 2016, equal to—

(A) 5896 million metric tons, measured in units of carbon dioxide equivalence, reduced by

(B) the amount of emissions of greenhouse gases in calendar year 2000 from non-covered entities; and

(2) for calendar years beginning after 2015, equal to—

(A) 5123 million metric tons, measured in units of carbon dioxide equivalence, reduced by

(B) the amount of emissions of greenhouse gases in calendar year 1990 from non-covered entities.

(b) SERIAL NUMBERS.—The Administrator shall assign a unique serial number to each tradeable allowance established under subsection (a), and shall take such action as may be necessary to prevent counterfeiting of tradeable allowances.

(c) NATURE OF TRADEABLE ALLOWANCES.—A tradeable allowance is not a property right, and nothing in this title or any other provision of law limits the authority of the United States to terminate or limit a tradeable allowance.

(d) NON-COVERED ENTITY.—In this section:

(1) IN GENERAL.—The term ''non-covered entity'' means an entity that—

(A) owns or controls a source of greenhouse gas emissions in the electric power, industrial, or commercial sectors of the United States economy (as defined in the Inventory), refines or imports petroleum products for use in transportation, or produces or imports hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride; and

(B) is not a covered entity, determined by applying the definition in section 3(4) for the year 2000 (for the purpose of subsection (a)(1)(B)) or the year 1990 (for the purpose of subsection (a)(2)(B)).

(2) EXCEPTION.—Notwithstanding paragraph (1), an entity that is a covered entity for any calendar year beginning after 2009 shall not be considered to be a non-covered entity for the purpose of either subsection (a)(1)(B) or subsection (a)(2)(B) only because it emitted, or its products would have emitted, 10,000 metric tons or less of greenhouse gas, measured in units of carbon dioxide equivalence, in the year 2000 or 1990, respectively.

SEC. 332. DETERMINATION OF TRADEABLE ALLOWANCE ALLOCATIONS.

(a) IN GENERAL.—The Secretary shall determine—

(1) the amount of tradeable allowances to be allocated to each covered sector of that sector's Phase I and Phase II allotments; and

(2) the amount of tradeable allowances to be allocated to the Climate Change Credit Corporation established under section 351.

(b) ALLOCAITON FACTORS.—In making the determination required by subsection (a), the Secretary shall consider—

(1) the distributive effect of the allocations on household income and net worth of individuals

(2) the impact of the allocations on corporate income, taxes, and asset value;

(3) the impact of the allocations on income levels of consumers and on their energy consumption;

(4) the effects of the allocations in terms of economic efficiency;

(5) the ability of covered entities to pass through compliance costs to their customers; and

(6) the degree to which the amount of allocations to the covered sectors should decrease over time.

(c) ALLOCATION RECOMMENDATIONS AND IMPLEMENTATIONS.—Before allocating or providing tradeable allowances under subsection(a) and within 24 hours after the date of enactment of this Act, the Secretary shall submit the determinations under subsection (a) to the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Environment and Public Works, the House of Representatives Committee on Science, and the House of Representatives Committee on Energy and Commerce. The Secretary's determinations under paragraph (1), including the allocations and provision of tradeable allowances pursuant to that determination, are deemed to be a major rule (as defined in section 804(2) of title 5, United States Code), and subject to the provisions of chapter 8 of that title.

SEC. 333. ALLOCATION OF TRADEABLE ALLOWANCES.

(a) IN GENERAL.—Beginning with calendar year 2010 and after taking into account any initial allocations under section 334, the Administrator shall—

(1) allocate to each covered sector that sector's Phase I and Phase II allotments determined by the Administrator under section 332 (adjusted for any such initial allocations and the allocation to the Climate Change Credit Corporation established under section 351); and

(2) allocate to the Climate Change Credit Corporation established under section 351 the tradeable allowances allocable to that Corporation.

(b) INTRASECTORIAL ALLOTMENTS.—The Administrator shall, by regulation, establish a process for the allocation of tradeable allowances under this section, without cost to facilities within each sector, that will—

(1) encourage investments that increase the efficiency of the processes that produce greenhouse gas emissions;

(2) minimize the costs to the government of allocating the tradeable allowances;

(3) not penalize a covered entity for registered emissions reductions made before 2010; and

(4) provide sufficient allocation for new entrants into the sector.

(c) POINT SOURCE ALLOCATION.—The Administrator shall allocate the tradeable allowances for the electricity generation, industrial, and commercial sectors to the entities owning or controlling the point sources of greenhouse gas emissions within that sector.

(d) HYDROFLUOROCARBONS, PERFLUOROCARBONS, AND SULFUR HEXAFLUORIDE.—The Administrator shall allocate the tradeable allowances for producers or importers of hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride one tradeable allowance for every metric ton of hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride produced or imported, measured in units of carbon dioxide equivalence.

(e) SPECIAL RULE FOR ALLOCATION WITHIN THE TRANSPORTATION SECTOR.—The Administrator shall allocate the tradeable allowances for the transportation sector to petroleum refiners or importers that produce or import petroleum products that will be used as fuel for transportation.

SEC. 334. INITIAL ALLOCATIONS FOR EARLY PARTICIPATION AND ACCELERATED PARTICIPATION.

Before making allocations under section 333, the Administrator shall allocate—

(1) to any covered entity an amount of tradeable allowances equivalent to the amount of greenhouse gas emissions reductions registered by that covered entity in the national greenhouse gas database if—

(A) the covered entity has requested to use the registered reduction in the year of allocation;

(B) the reduction was registered prior to 2010; and

(C) the Administrator retires the unique serial number assigned to the reduction under section 201(c)(3); and

(2) to any covered entity that has entered into an accelerated participation agreement under section 335, such tradeable allowances as the Administrator has determined to be appropriate under that section.

SEC. 335. BONUS FOR ACCELERATED PARTICIPATION.

(A) IN GENERAL.—If a covered entity executes an agreement with the Administrator under which it agrees to reduce its level of greenhouse gas emissions to a level no greater than the level of its greenhouse gas emissions for calendar year 1990 by the year 2010, then, for the 6-year period beginning with calendar year 2010, the Administrator shall—

(1) provide additional tradeable allowances to that entity when allocating allowances under section 334 in order to recognize the additional emissions reductions that will be required of the covered entity;

(2) allow that entry to satisfy 20 percent of its requirements under section 311 by—

(A) submitting tradeable allowances from another nation's market in greenhouse gas emission under the conditions described in section 312(b)(1);

(B) submitting a registered net increase in sequestration, as registered in the National Greenhouse Gas Database established under section 201, and as adjusted by the appropriate sequestration discount rate established under section 372; or

(C) submitting a greenhouse gas emission reduction (other than a registered net increase in sequestration) that was registered in the National Greenhouse Gas Database by a person that is not a covered entity.

(b) TERMINATION.—An entity that executes an agreement described in subsection (a) may terminate the agreement at any time.

(c) FAILURE TO MEET COMMITMENT.—If an entity that executes an agreement described in subsection (a) fails to achieve the level of emissions to which it committed by calendar year 2010—

(1) its requirements under section 311 shall be increased by the amount of any tradeable allowances provided to it under subsection (a)(1); and

(2) any tradeable allowances submitted thereafter shall be counted first against the increase in those requirements.

SEC. 336. ENSURING TARGET ADEQUACY.

(a) IN GENERAL.—Beginning 2 years after the date of enactment of this Act, the Under Secretary of Commerce for Oceans and Atmosphere shall review the allowances established by subsection (a) no less frequently than biennially—

(1) to re-evaluate the levels established by that subsection, after taking into account the best available science and the most currently available data, and

(2) to re-evaluate the environmental and public health impacts of specific concentration levels of greenhouse gases,

to determine whether the allowances established by subsection (a) continue to be consistent with the objective of the United Nations' Framework Convention on Climate Change of stabilizing levels of greenhouse gas emissions at a level that will prevent dangerous anthropogenic interference with the climate system.

(b) REVIEW OF 2010 AND 2016 LEVELS.—The Under Secretary shall specifically review in 2008 the level established under section 311(a)(1) and, in 2012, the level established under section 311(a)(2), and transmit a report on his reviews, together with any recommendations, including legislative recommendations, for modification of the levels, to the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Environment and Public Works, the House of Representatives Committee on Science, and the House of Representatives Committee on Energy and Commerce.

Subtitle C—Climate Change Credit Corporation

SEC. 351. ESTABLISHMENT.

(a) IN GENERAL.—The Climate Change Credit Corporation is established as a non-profit corporation without stock. The Corporation shall not be considered to be an agency or establishment of the United States Government.

(b) APPLICABLE LAWS.—The Corporation shall be subject to the provisions of this title and, to the extent consistent with this title, to the District of Columbia Business Corporation Act.

(c) BOARD OF DIRECTORS.—The Corporation shall have a board of directors of 5 individuals who are citizens of the United States, of whom 1 shall be elected annually by the board to serve as chairman. No more than 3 members of the board serving at any time may be affiliated with the same political party. The members of the board shall be appointed by the President of the United States, by and with the advice and consent of the Senate and shall serve for terms of 5 years.

SEC. 352. PURPOSES AND FUNCTIONS.

(a) TRADING.—The Corporation—

(1) shall receive and manage tradeable allowances allocated to it under section 333(a)(2); and

(2) shall buy and sell tradeable allowances, whether allocated to it under that section or obtained by purchase, trade, or donation from other entities; but

(3) may not retire tradeable allowances unused.

(b) USE OF TRADEABLE ALLOWANCES AND PROCEEDS.—

(1) IN GENERAL.—The Corporation shall use the tradeable allowances, and proceeds derived from its trading activities in tradeable allowances, to reduce costs borne by consumers as a result of the greenhouse gas reduction requirements of this Act. The reductions—

(A) may be obtained by buy-down, subsidy, negotiation of discounts, consumer rebates, or otherwise;

(B) shall be, as nearly as possible, equitably distributed across all regions of the United States; and

(C) may include arrangements for preferential treatment to consumers who can least afford any such increased costs.

(2) TRANSITION ASSISTANCE TO DISLOCATED WORKERS AND COMMUNITIES.—The Corporation shall allocate a percentage of the proceeds derived from its trading activities in tradeable allowances to provide transition assistance to dislocated workers and communities. Transition assistance may take the form of—

(A) grants to employers, employer associations, and representatives of employees—

(i) to provide training, adjustment assistance, and employment services to dislocated workers; and

(ii) to make income-maintenance and needs-related payments to dislocated workers; and

(B) grants to State and local governments to assist communities in attracting new employers or providing essential local government services.

(3) PHASE-OUT OF TRANSITION ASSISTANCE.—The percentage allocated by the Corporation under paragraph (2)—

(A) shall be 20 percent for 2010;

(B) shall be reduced by 2 percentage points each year thereafter; and

(C) may not be reduced below zero.

(c) ANNUAL REPORT.—The Corporation shall issue an annual report setting forth the results of its operations for the year.

SUBTITLE D—SEQUESTRATION ACCOUNTING; PENALTIES

SEC. 371. SEQUESTRATION ACCOUNTING.

(a) SEQUESTRATION ACCOUNTING.—If a covered entity uses a registered net increase in sequestration to satisfy the requirements of section 311 for any year, that covered entity shall submit information to the Administrator every 5 years thereafter sufficient to allow the Administrator to determine, using the methods and standards created under section 204, whether that net increase in sequestration still exists. Unless the Administrator determines that the net increase in sequestration continues to exist, the covered entity shall offset any loss of sequestration by submitting additional tradeable allowances of equivalent amount in the calendar year following that determination.

(b) REGULATIONS REQUIRED.—The Secretary, acting through the Under Secretary of Commerce for Science and Technology, in coordination with the Secretary of Agriculture, the Secretary of Energy, and the Administrator, shall issue regulations establishing the sequestration accounting rules for all classes of sequestration projects.

(c) CRITERIA FOR REGULATIONS.—In issuing regulations under this section, the Secretary shall use the following criteria:

(1) If the range of possible amounts of net increase in sequestration for a particular class of sequestration project is not more than 10 percent of the median of that range, the amount of sequestration awarded shall be equal to the median value of that range.

(2) If the range of possible amounts of net increase in sequestration for a particular class of sequestration project is more than 10 percent of the median of that range, the amount of sequestration awarded shall be equal to the fifth percentile of that range.

(3) The regulations shall include procedures for accounting for potential leakage from sequestration projects and for ensuring that any registered increase in sequestration is in addition that which would have occurred if this Act had not been enacted.

(d) UPDATES.—The Secretary shall update the sequestration accounting rules for every class of sequestration project at least once every 5 years.

SEC. 372. PENALTIES.

Any covered entity that fails to meet the requirements of section 311 for a year shall be liable for a civil penalty, payable to the Administrator, equal to thrice the market value (determined as of the last day of the year at issue) of the tradeable allowances that would be necessary for that covered entity to meet those requirements on the date of the emission that resulted in the violation.

Mr. MCCAIN. Mr. President, the National Academy of Science has said, ''Greenhouse gases are accumulating in the Earth's atmosphere as a result of human activities, causing surface air temperatures and subsurface ocean temperatures to rise. Temperatures are, in fact, rising. The changes observed over the last several decades are likely mostly due to human activities, but we cannot rule out that some significant part of these changes is also a reflection of natural variability.''

Over the past five years, the Commerce Committee has held eight hearings on climate change. Two the last five years, 1998 and 2002, have been the warmest, in terms of average global temperatures, ever recorded. According to a recent report from the National Oceanic and Atmospheric Administration NOAA, nine of the warmest years have occurred since 1990. As reported in the New York Times on December 31, 2002, many experts think it is more likely than not 2003 will either match or exceed the 1998 average temperature record of 58 degrees Fahrenheit.

Researchers at the University of Texas, Wesleyan University, and Stanford University recently reported in the journal Nature that global warming is forcing species around the world, from California starfish to Alpine herbs, to move into new ranges or alter habits that could disrupt ecosystems. The report states there is ''very high confidence,'' defined as having more than 95 percent of observed changes which were principally caused by climate change, that climate change is already affecting living systems. The end result off these changes could be substantial ecological disruption, local losses in wildlife, and extinction of certain species.

This and many other reports over the years have highlighted time and again the consequences of a warming climate system. We have seen the destruction of over 70 percent of the heat-sensitive corals reefs, the melting of glaciers at unprecedented levels, the increase of wildfires, and the spreading of diseases. A large German insurance company has estimated that global warming could cost $300 billion annually by 2050 in weather damage, pollution, industrial and agricultural losses, and other expenses.

Our international partners, the States, and private industry are reacting to this challenge. For example, California has enacted legislation that will regulate tailpipe emissions of greenhouse gases. The European Union just recently approved an emissions trading system. The World Bank has estimated that greenhouse gas trading will be a $10 billion market by 2005. Financial ratification of the Kyoto Protocol rests with Russia.

Industry is also paying attention to what's happening. Laws firms and insurance companies are setting up business units to deal with climate-related risks.

Thus far, however, little has actually been accomplished to reduce greenhouse gas emissions. The United States must do something, but it must also do the right thing. Many have focused on what we do not know or the uncertainties are climate change. I prefer a more sound and scientific approach of starting with what is known or given and then proceeding to solve the problem at hand.

While we cannot say with 100 percent confidence what will happen in the future, we do know the mission of greenhouse gases is not healthy for the environment. As many of the top scientists through the world have stated, the sooner we start to reduce these emissions, the better off we will be in the future.

In 2001, Senator LIEBERMAN and I announced our intention to develop legislation to require mandatory reductions in greenhouse gases emissions and provide for the trading of emission allowances. We have been working with industry and the environmental community to develop legislation to move the country in the right direction and demonstrate leadership on this important issue. It will be the first comprehensive piece of legislation in this area. Not only will it not place the burden on any one sector, it would allow for the partnering across sectors through the trading system to most effectively meet the required reductions.

The bill we are introducing will propose a ''cap and trade'' approach to reducing greenhouse gases emissions. It would require the promulgation of regulations to limit greenhouse gases emissions from the electricity generation, transportation, industrial and commercial economic sectors. The affected sectors request approximately 85 percent of the overall U.S. emissions for the year 2000. The bill also would provide for the trading of emissions allowances and reductions through the government provided greenhouse gas database, which would contain an inventory of emissions and a registry of reduction.

I thank Senator LIEBERMAN for his commitment and leadership in bringing this piece of legislative initiative. We hope that our colleagues in the Senate and the Administration will work with us to improve upon and ultimately adopt this much needed legislation.

The U.S. is responsible for 25 percent of the worldwide greenhouse gases emissions. It is time for the U.S. government to do its part to address this global problem, and legislation on mandatory reductions is the form of leadership that is required to address this global problem.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 15—COMMENDING DAN L. CRIPPEN FOR HIS SERVICE TO CONGRESS AND THE NATION

Mr. DOMENICI (for himself, Mr. CONRAD, Mr. GRASSLEY, Mr. HOLLINGS, Mr. NICKLES, Mr. SARBANES, Mr. BOND, Mrs. MURRAY, Mr. GREGG, Mr. WYDEN, Ms. SNOWE, Mr. FEINGOLD, Mr. FRIST, Mr. JOHNSON, Mr. SMITH, Mr. BYRD, Mr. ALLARD, Mr. NELSON of Florida, Mr. HAGEL, Ms. STABENOW, Mrs. CLINTON, and Mr. CORZINE) submitted the following resolution; which was considered and agreed to:

S. RES. 15

Whereas Dr. Dan L. Crippen has served as the fifth Director of the Congressional Budget Office since February 3, 1999 and now has ended his service on January 3, 2003;

Whereas during his tenure as Director, he has continued to encourage the highest standards of analytical excellence within the staff of the Congressional Budget Office while maintaining the independent and nonpartisan character of the organization;

Whereas he has provided expert testimony to all committees of the United States Senate;

Whereas during his tenure as Director, he has expanded and improved the accessibility of the Congressional Budget Office's work products to the Congress and the public;

Whereas he has led the agency's development of an independent long-term economic modeling capability that examines demographic changes and their critical impact on economic and budget estimates;

Whereas he has performed his duties as Director at a time of extreme personal loss with courage, dignity, and intelligence; and

Whereas he has earned the respect and esteem of the United States Senate: Now, therefore, be it

Resolved, That the Senate of the United States commends Dr. Dan L. Crippen for his dedicated, faithful, and outstanding service to his country and to the Senate.

SENATE RESOLUTION 16—HONORING THE HILLTOPPERS OF WESTERN KENTUCKY UNIVERSITY FROM BOWLING GREEN, KENTUCKY, FOR WINNING THE 2002 NATIONAL COLLEGIATE ATHLETIC ASSOCIATION DIVISION I–AA FOOTBALL CHAMPIONSHIP

Mr. BUNNING (for himself and Mr. MCCONNELL) submitted the following resolution; which was considered and agreed to:

S. RES. 16

Whereas on December 20, 2002, the Western Kentucky University Hilltoppers from Bowling Green, Kentucky, won the 2002 NCAA Division I–AA Collegiate Football Championship;

Whereas this championship is Western Kentucky University's first NCAA Football Championship since its football program began in 1913;

Whereas the Hilltoppers had an impressive and overall record of 12 wins and 3 losses, including 10 consecutive wins and winning the championship game;

Whereas the Hilltoppers showed tremendous dedication to each other, appreciation to their fans, sportsmanship to their opponents, and respect for the game of football throughout their 2002 season;

Whereas Western Kentucky University was represented with integrity and principled leadership under the direction of its head coach Jack Harbaugh, athletic director Dr. Wood Selig, and president Dr. Gary A. Ransdell; and

Whereas on December 20, 2002, the 15th ranked Western Kentucky University Hilltoppers faced the number 1 ranked McNeese State University Cowboys for the 2002 NCAA Division I–AA Football Championship in Chattanooga, Tennessee, and came away victorious by a score of 34 to 14: Now, therefore, be it

Resolved, That the Senate honors the Western Kentucky University football team from Bowling Green, Kentucky, for winning the 2002 NCAA Division I–AA Football Championship.

SENATE CONCURRENT RESOLUTION 1—EXPRESSING THE SENSE OF CONGRESS THAT THERE SHOULD CONTINUE TO BE PARITY BETWEEN THE ADJUSTMENTS IN THE COMPENSATION OF MEMBERS OF THE UNIFORMED SERVICES AND THE ADJUSTMENTS IN THE COMPENSATION OF CIVILIAN EMPLOYEES OF THE UNITED STATES

Mr. SARBANES (for himself, Mr. BINGAMAN, Mr. DURBIN, Ms. MIKULSKI, Mrs. MURRAY, Mr. LEVIN, Mr. WARNER, Ms. CANTWELL, Mr. NELSON of Nebraska, Mrs. CLINTON, Mr. AKAKA, Mr. KENNEDY, and Mr. LIEBERMAN) submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 1

Whereas members of the uniformed services of the United States and civilian employees of the United States make significant contributions to the general welfare of the United States and are on the front lines in the fight against terrorism;

Whereas civilian employees of the United States play a crucial role in the fight against terrorism, as exemplified by the civilian employees of the new Department of Homeland Security who are working to ensure the security of the United States, the civilian employees of the Central Intelligence Agency and the Federal Bureau of Investigation who are investigating the September 11, 2001, terrorist attacks and working to prevent further terrorist attacks, the numerous civilian employees of the Federal Government who participated in disaster response teams after such attacks, and the civilian employees of the Transportation Security Agency who are working to make our skies safer;

Whereas civilian employees of the United States will continue to support and defend the United States during this difficult time;

Whereas for fiscal year 2003 the Administration granted a 4.1 percent pay raise for members of the uniformed services but only a 3.1 percent pay raise for the dedicated civilian employees of the United States, a disparity in adjustments that violates the traditional principle of parity of pay adjustments; and

Whereas this disparity in pay adjustments goes against the longstanding policy of parity for all those who have chosen to serve the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

Mr. SARBANES. Mr. President, I am called to join with Senators AKAKA, BINGAMAN, CANTWELL, CLINTON, DURBIN, KENNEDY, LEVIN, LIEBERMAN, MIKULSKI, MURRAY, NELSON, E. BENJAMIN, and WARNER in introducing a resolution that would express the sense of the Congress that parity in the pay increases granted to Federal civilian and military employees should be maintained. A comparison of military and civilian pay increases by the Congressional Research Service finds that in 14 of the last 17 years military and civilian pay increases have been identical. Disparate treatment of civilian and military pay goes against the longstanding policy of parity for all those who have chosen to serve our Nation, whether that service be in the civilian workforce or in the armed services.

During this unpredented time in our Nation's history, both members of the armed services and civilian Federal employees are fighting the war on terrorism and making remarkable contributions to the safety of this country and our citizens. Both the armed forces and civilian employees are on the front lines in the fight against terrorism, and civilian employees are playing a significant role in that fight.