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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Rev. Charles V. Antonicelli, St. Joseph's Church on Capitol Hill, Washington, DC.

PRAYER

The guest Chaplain offered the following prayer:

Lord of all hopefulness, we come before You this day to praise You and to thank You for Your countless blessings.

With heavy hearts, dear Lord, we pray for Your peace and Your justice in our world. Help us to be the instruments of Your will. In Isaiah we read, ''Put away your misdeeds from before My eyes; cease doing evil; learn to do good. Make justice your aim: redress the wronged.''

God Almighty, bless and protect the men and women in this Senate who seek to do Your will. Give them right judgment. Help them to know Your loving presence always.

We ask this in Your holy name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable TED STEVENS led the Pledge of Allegiance, as follows:

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

The PRESIDING OFFICER (Mr. BROWNBACK). The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning the Senate will resume consideration of S. Con. Res. 23, the concurrent budget resolution, with 30 hours left for debate on the resolution. Fifteen hours remain under the control of the chairman of the Budget Committee and the ranking member respectively. Pending is the Boxer amendment No. 272 striking the reconciliation instruction to the Energy Committee relating to ANWR. While Senators on both sides of the aisle participated in the debate last night, there are still several Senators wishing to speak on this amendment this morning.

The consideration of other amendments is expected during today's session and rollcall votes will occur throughout the day. The Senate will finish the budget resolution this week. Therefore, Members should expect late nights and rollcall votes for the remainder of the week. I do want to stress to my colleagues that we will finish the budget resolution this week. We have 30 hours for debate and then the voting on the amendments, which is not a part of those hours. Therefore, we really have a challenge over the next 3 days but one that we will step up to and meet.

There is a lot of indecision in terms of potential military action abroad. As we all know, the clock is ticking for a deadline tonight and we will take that into consideration, but we will be focused on the budget over the course of today. It is the Nation's business. The American people expect us to pass a budget. We have certain statutory deadlines that we will meet in this Congress and therefore will finish the budget resolution this week.

The PRESIDING OFFICER. The Democratic whip.

Mr. REID. Mr. President, through the Chair to the leader, on the ANWR amendment, we have 40 minutes remaining on this side. The time on the other side is gone. Of course, other time can be yielded, as it will be, to speak on the amendment.

We have a couple of amendments lined up. I spoke to Senator NICKLES last night. The majority leader was present during most of those conversations. We hope to offer another amendment forthwith.

The one question that a number of Members have asked is what is the leader's—I think we all contemplate something happening in the next 24 hours in regard to the situation in Iraq. What is the leader's desire as to a resolution, which I am sure will be forthcoming at that time, as far as Members being able to speak on the resolution?

Mr. FRIST. Mr. President, not knowing what will happen tonight with the President's statement, as the deadline is reached for Saddam Hussein—and I have been working with the Democratic leader—we have a resolution of support and are working through the language that is most appropriate. We will do that over the course of today. Again, I want to be very careful not to anticipate an outcome which is not quite there, but if military action is begun, we would very soon introduce that resolution and give Senators the opportunity to speak. I think we all recognize that if military action is undertaken, although we hope and pray that things will be very shortlived, we do want to make sure Senators have the opportunity to express their support for our troops and for this President, if this engagement begins. So that is underway. We will address that over the course of the day. I do want to make it clear to our colleagues that we will be here this week until we finish the budget.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 2004

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. Con. Res. 23, which the clerk will report.

The legislative clerk read as follows:

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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A concurrent resolution (S. Con. Res. 23) setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013.

Pending:

Boxer amendment No. 272, to prevent consideration of drilling in the Arctic National Wildlife Refuge in a fast-track budget reconciliation bill.

The PRESIDING OFFICER. Who yields time?

The Senator from Nevada.

Mr. REID. Senator CONRAD authorized Senator BOXER to control the final 40 minutes of debate. Do we not have 40 minutes on the amendment?

The PRESIDING OFFICER. Forty-one minutes is controlled by the sponsor.

Mr. REID. Senator CONRAD has authorized me to delegate that 41 minutes to Senator BOXER for allowing other Senators to speak during that 41 minutes.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 272

Mrs. BOXER. Mr. President, at this point, I will yield to four people in sequence: Senator BINGAMAN, 10 minutes; Senator DURBIN, 5 minutes; Senator MURRAY, 5 minutes; Senator STABENOW 5 minutes. That will be the total of our speakers and then we will be happy to yield an equivalent amount of time to the other side, if that will be acceptable. These Senators would like to give their short statements and then go back to their committees.

Mr. NICKLES. Reserving the right to object, the Senator is trying to block in how much time?

Mrs. BOXER. Twenty-five minutes.

Mr. NICKLES. Reserving the right to object, let me consult with my colleague from Alaska.

Mrs. BOXER. As I understand it, I control 41 minutes of time. Is that correct? Instead of just standing here and speaking myself about this amendment, I have suggested we allow it to go in this sequence and then back to my colleagues on the other side, just for the sake of my colleagues' schedule.

Mr. STEVENS. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. When I left the floor last evening, I yielded to my colleague from Alaska, Senator MURKOWSKI, and it was my understanding the time would be charged against the bill. Instead, I understand it has been charged against the amendment. I ask the manager of our bill to allocate to us an equal amount of time as remains for the Senator from California under the amendment.

Mr. NICKLES. Mr. President, I am happy to yield to my friend and colleague from Alaska an hour on the bill so he may speak in opposition to the amendment of the Senator from California.

Mr. STEVENS. I thank the Chair.

The PRESIDING OFFICER. The Senator has that right.

The Senator from California has the floor.

Mrs. BOXER. Mr. President, I yield 10 minutes to a real leader on this issue, Senator BINGAMAN, the top Democrat on the Energy Committee.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for up to 10 minutes.

Mr. BINGAMAN. Mr. President, I very much appreciate the Senator from California yielding me some time to speak and briefly express the point of view that I expressed when we debated this bill last year.

As all of us know, this issue has been a perennial one. It comes back all the time in the Senate and has now for several decades. I rise to support the amendment of the Senator from California. The amendment would strike the provisions from the budget resolution that essentially pave the way for the opening of the Arctic National Wildlife Refuge to oil and gas development.

There are various reasons, both related to national security and related to the environment, that lead me to conclude that I do not support going ahead with oil and gas leasing and development of the Arctic Refuge. The most compelling reason for not opening the refuge is that it will do very little, if anything, to further our national energy security. Not a single drop of oil would come from the Arctic Refuge for at least 7 years and more likely 10 or 12 years.

I urge my colleagues to vote in support of the amendment for the following reasons:

First, drilling in the Arctic Refuge is not an answer to the problem of energy security. This chart is familiar to any who were here during the debate on the energy bill last year. The U.S. Geological Survey estimates the mean economically recoverable oil on Federal lands on the Costal Plain of the Refuge at somewhere between 3.2 and 5.2 billion barrels and that is at prices of somewhere between $20 and $24 per barrel, in 1996 dollars. Clearly, prices are higher today.

The Arctic Refuge would supply no more than 2 percent of America's oil demand in any given year. This chart shows the U.S. oil consumption in million barrels per day. The top line is the total oil demand. Below, the green line, is domestic oil production. The small red line is the ANWR production. Relative to our total consumption it is a small item. It will be at least 7 years, more likely 10 to 12, before there is actual production on the Coastal Plain if we were to vote today to open this area for production. Peak production would not occur for 20 years or more after the initial production started.

Another chart shows the same point in a slightly different way, that drilling in the Arctic Refuge does not address in a significant way our reliance on imported oil. This chart contains information from the Energy Information Administration. The green line indicates the net imports with ANWR production and the blue line is net imports without production from ANWR. According to our own Energy Information Administration, which is part of this administration, they show that production would begin in about 2012 and production from ANWR of oil, any significant oil, would end by about 2025. Then we are right back where we started.

So our dependence on foreign imports to meet our oil demand will continue to grow. It will not grow as much during those years when ANWR is in production, but it will grow a substantial amount. The Energy Information Agency estimates that production from the Arctic Refuge would reduce the net share of foreign oil relied on by consumers from 62 percent to 60 percent by the year 2020. As this chart shows, by 2025 we are right back to no reduction as a result of ANWR production because ANWR production will have largely played out by that time.

Another reason I offer to my colleagues today in support of the amendment, is that a controversy over the Arctic Refuge diverts attention from the real opportunities we have for enhancing domestic energy production. There are other ways we can expand production.

Senator GRASSLEY, Senator BAUCUS, Senator DOMENICI, and I introduced the Energy Tax Incentives Act the other day. Unlike the opening of the Arctic Refuge, this legislation would provide near-term increases in domestic energy production. Not only does the legislation include tax provisions that would help us diversify our energy supply and increase our reliance on renewable sources of energy and enhance energy efficiency, it would also provide specific incentives for increased oil and gas production.

Some would ask, from where is this oil and gas production going to come? I have another chart that makes a point people do not focus on. This is a map of the North Slope of Alaska showing the ANWR area on the right, the 1002 area. It shows the National Petroleum Reserve Alaska, the large tan-colored area on the map. The National Petroleum Reserve Alaska is an area that has begun to be leased by the Department of the Interior. Secretary Babbitt began that process when he was in office. Secretary Norton is proceeding with that. Frankly, I support going ahead with drilling in that area. There is a substantial likelihood of very large energy production from that area. There is a real prospect of increased oil and gas production from the North Slope.

Let me mention gas production. I indicated one of the reasons we should not focus on ANWR is that it is diverting our attention from our other opportunities to deal with our energy needs. One of those great opportunities is to bring the gas production from the

North Slope of Alaska, gas that is already being produced and reinjected into the ground, bring that gas down to the Lower 48 States. We tried very hard in the last Congress to pass legislation to streamline the process for getting a pipeline constructed. I strongly support that. We need a pipeline to bring that natural gas to the Lower 48. Anyone who is dependent upon natural gas for home heating today knows the price is high. They are going to notice it even more over the next 2 or 3 months as they get the bills during this period of high natural gas prices. The best opportunity we have to relieve that pressure is building that pipeline to bring Arctic gas down to the Lower 48. That is what we should concentrate on: develop more oil from the National Petroleum Reserve Alaska, bring the gas already produced on the North Slope down to the Lower 48. I hope we can do that.

I also make the point that we need to continue to emphasize developing alternative sources of energy. That is something we will get into in a large way when we debate a new energy bill this Congress, a new proposed energy bill, and we can make the point again.

The solution to our long-term energy problems is not to open the Arctic National Wildlife Refuge to drilling. It is an environmentally sensitive area, one we have determined to keep off bounds, out of bounds, for drilling up until now. I believe that is a sound policy.

In conclusion, there are many reasons why the Coastal Plain of the Arctic National Wildlife Refuge is not needed and should not be drilled for oil and gas. The environmental sensitivity of the area is clearly well recognized by all. Opening the Refuge is not good environmental policy. Equally important, it is far from necessary as part of our national energy policy.

I urge my colleagues to join in opposition to the oil and gas leasing and development of the Arctic National Wildlife Refuge and to support this amendment by the Senator from California.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. It is my understanding Senator BOXER has yielded me 5 minutes.

I say to my colleagues who follow this debate, take a look at this Arctic National Wildlife Refuge. If you look at the National Academy of Sciences' recent report, it is clear that drilling for oil in this wildlife refuge in the far reaches of Alaska is environmentally dangerous. There are some who write that off and say if we get more oil out of it and create some jobs, so what. Frankly, that is irresponsible.

We have a responsibility in this generation to leave to the next generation the natural heritage that we were given. If we are not forced to go to the Arctic National Wildlife Refuge for the survival of the United States or its economy, for goodness' sake, why would we run the risk to endanger this important National Wildlife Refuge that we have protected for over 50 years?

Second, this is as shortsighted as it gets, to suggest the only way to deal with energy security in the United States is for us to start drilling in wildlife refuges, that small part of the world we set aside to protect endangered species, topography, and environment that you cannot find anywhere else on Earth. Now the oil companies tell us: I'm sorry, our energy needs are so substantial, we have to start drilling there?

I say to the young people in America: Following this debate, take a look at the parking lots across America if you want to know what to do about energy. Take a look at the inefficient vehicles we are driving on the road today because this Congress and this country has not shown the leadership to have more efficient cars and trucks in America. We can do it. We have done it in the past. But this bill, this issue, is consistent with what I am afraid is the wrong message to America.

The message in this bill is: We may be minutes away from a war where thousands of American lives are at risk, we may be faced with terrible news for families across America and death in Iraq to innocent Iraqis, but we can still call for a tax cut for the wealthiest people in America. The message in this amendment is: We may face the question and challenge of energy security, but rather than to say to American families, Do your part, buy vehicles that are more efficient, and to Detroit, produce those vehicles—instead of that, no, we are going to drill for oil in a wildlife refuge in Alaska. Is that what America has come to? Is that what we are all about? Don't we expect our leaders to summon us to show our best, to sacrifice for our Nation so we can lead and demonstrate to future generations that we care about our natural heritage, we care about our spirit of national sacrifice?

This is an amendment that should be defeated. The Arctic National Wildlife Refuge should not be drilled. We should not move forward with this exploration. And this bill calling for tax breaks for the wealthiest people in America as we are poised to go to war is a shameful bill. It is something we should not be considering on the floor of the Senate at this moment in our history. This amendment, if I understand it correctly, will not change the budget levels. This amendment failed by only 1 vote, on a party-line vote, in committee. But I believe we will win it now.

Let me begin by saying that the Arctic National Wildlife Refuge provision has no place in the budget. For those who want to propose oil and gas development in this area of the Arctic National Wildlife Refuge, we can debate that in a more appropriate context, such as the energy bill. This important issue should not be snuck into the budget through a legislative back door, but should be debated in an open, honest way through the normal legislative process.

Let me also note that the full Senate has already defeated proposals to drill in the Arctic National Wildlife Refuge, because it is bad policy. We should end this perennial debate once and for all, and move to more reasonable matters that deserve the Senate's attention. There are better, longer-term solutions to our energy crisis than drilling in our few remaining frontier areas, including making automobiles more fuel efficient.

The Refuge is not the answer to energy problems. The most stunning statistic in this whole debate is that the Arctic coastal plain would only yield 6 months' worth of oil for our country; and we wouldn't get it for 10 years. And this is under the most optimistic assumptions.

There is no doubt that we are overdependent on foreign oil in our country. We need to address this issue on multiple fronts, including by exploring alternative sources of energy, such as fuel cells, and by promoting efficiency and thereby reducing consumption. I have talked with coal developers who say that we may be able to use coal to isolate hydrogen for use in fuel cells in automobiles. I have also talked with automobiles researchers, who have told me of myriad existing technologies to improve fuel efficiency in the transportation sector, the largest user of oil.

So to say that the Arctic National Wildlife Refuge is the only answer to our energy questions in completely offbase. In fact, it is not even one of the viable answers, because it holds so little oil compared to what we demand as a country.

The Refuge deserves protection. The 1.5 million-acre coastal plain of the Arctic National Wildlife Refuge is a clear candidate for protection under the Wilderness Act of 1964. That is why I am cosponsoring Senator LIEBERMAN's bill to designate this 1.5 million acre area as wilderness. This swath of land is surrounded on three sides by 8 million acres of land already designated as wilderness.

The Arctic Refuge includes boreal forests, dramatic peaks, and tundra. If features a complete range of arctic and subarctic ecosystems, with an extraordinary assemblage of wildlife. Polar and grizzly bears, wolves, muskoxen, and snow geese are just a few of the more than 200 animal species that use the coastal plain. Also the coastal plain is the most significant on-land polar bear denning habitat in the U.S. In addition, the 155,000 member porcupine caribou herd has used the coastal plain as a calving area for 20,000 years or more. There is no alternative to this sensitive habitat for the caribou herd.

Research has documented the ecological importance of this land, and the effects of oil and gas development there. On March 5, 2003, the National Academy of Sciences released a new report that details the serious, detrimental, and cumulative effects of oil

and gas activities on Alaska's North Slope. The report finds numerous effects, including ''a large oil spill in marine waters [which border the coastal plain] would likely have substantial accumulating effects on whales and other receptors because [current clean-up efforts are inadequate].'' This is especially significant, given that there is an average of 423 oil spills annually on the North Slope.

The report also finds that species population decline, including reduction of some bird species such as black brant, snow geese, eiders and probably some shorebirds, is common in industrial areas in the North Slope.

In an important new discovery, the report finds ''climate changes during the past several decades on the North Slope have been unusually rapid.'' Climate changes can change ice flow and the entire ecosystem of this area.

The report further finds that only about 100 acres—1 percent—of the habitat affected by gravel fill on the North Slope have been restored. The National Academy of Sciences concluded that unless major changes occur, it is unlikely that most disturbed habitat on the North Slope will ever be restored. Because natural recovery in the arctic is slow, effects of unrestored structures are likely to persist for centuries, and will accumulate as new structures are added.

Environmental impacts of oil and gas development are real, and that is why we need to site such activities in a careful, responsible manner.

In conclusion, Aldo Leopold, the long-time Forest Service employee and conservationist said it best in 1949: ''Having to squeeze the last drop of utility out of the land has the same desperate finality as having to chop up the furniture to keep warm.''

The Arctic Refuge is one of the last, remaining wilderness areas awaiting protection. Let's not destroy it; let's save it. And let's end this perennial debate once and for all. There are better, longer-term solutions to our energy crisis than drilling in our few remaining frontier areas, including making automobiles more fuel-efficient. And if we want to debate energy policy, the budget resolution debate is not the time to do it.

Out of respect for the proper legislative process, and out of respect for the seriousness of this decision in terms of energy and environment issues, and in terms of the impacts on the present and future generations of this country, I urge my colleagues to vote for the Boxer amendment.

Mrs. BOXER. Will the Senator yield his remaining time for a question?

Mr. DURBIN. Yes.

Mrs. BOXER. I wonder if the Senator had seen this chart which shows by the year 2030 how much energy is yielded by these various factors. This would be how much energy we would get from the Arctic Refuge production, 2.38 billion barrels of oil. If we just put better tires on our cars, it would result in better fuel economy, we would save more energy.

If we just closed the SUV loophole, meaning we got those SUVs up to the same mileage as cars, we would save 10 billion barrels. And, by the way, if we did fuel economy, as my friend suggested, up to 35 miles per gallon, which is very modest, look at what it would save: 18 billion barrels. Here is what the Arctic gets us, and we destroy a region that looks like this, instead of going this way.

Mr. DURBIN. I know my time is running out. I just want to say, when you turn to the conservatives in Congress and say: Can't we improve the efficiency of our vehicles? No, that's the heavy hand of Government.

Let me tell you, drilling in the Arctic National Wildlife Refuge is the heavy hand of Government in a part of our world we should be protecting. It is saying to oil companies, make a profit so we don't have to ask American families and automobile manufacturers to do the right thing for our future.

I reserve the remainder of my time.

Mrs. BOXER. Mr. President, I am going to take 1 extra minute off the bill, if I might, to simply send to the desk a letter from Jimmy Carter, former President Jimmy Carter. Last night it was implied by several colleagues—I have their words actually—I will not go through them now—that President Carter supports drilling in the Arctic National Wildlife Refuge. Just to quote from a little bit of his letter, he says:

> We can have the untouched sublime wilderness. Or we can have oil field development. But we cannot have both.
>
> Opening the coastal plain for oil exploration and development would be, despite all the much-vaunted technological promises, severely damaging to wildlife and the ecosystem. And it is inherently fatal to the wilderness qualities of this matchless example of America's natural heritage.

I ask unanimous consent that the letter be printed in the RECORD.

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

THE CARTER CENTER,
Atlanta, GA, February 27, 2002.

The Honorable SENATOR,
U.S. Senate, Senate Office Building, Washington, DC.

DEAR SENATOR: Every decade or so we seem to have a great national debate about whether or not to preserve the very best of our natural heritage. In the 1960s it was over building dams in the Grand Canyon, a desecration comparable to oil drilling in Yosemite or Yellowstone.

Now, an equally significant showdown is over the fate of the coastal plain of the Arctic National Wildlife Refuge, an area first set aside for protection by President Dwight Eisenhower.

Rosalynn and I have crouched on a peninsula in the Beaufort Sea to watch the defensive circling of musk oxen that perceived us as a threat to their young. We have sat in profound wonder on the tundra near the Jago River as 80,000 caribou streamed around and past us in their timeless migration from vital calving grounds on the coastal plain. We have watched dens of wolves, large flocks of Dall Sheep, and isolated polar bears. These phenomena of the untrammeled earth are what lead wildlife experts to characterize the coastal plain as America's Serengeti.

Having raveled extensively in this unique wilderness, I feel very strongly about its incredible natural values. I hope you will not be distracted by the argument that oil exploration and development will have minimal impact because the ''footprint'' of modern drilling technology will be small amid the 1,500,000 acres of the coastal plain.

This simply is not true. While a precise measurement of the exact acres finally to be covered by drill pads, gravel pits, access roads, air fields and the vast spider-web of pipelines might not exceed 2,000 acres, these acres would be spread across a far wider expanse, covering hundreds of square miles, connected by a network of modern transportation routes. The impacts on the fragile tundra ecosystem, on migratory waterfowl and on other wildlife would be much greater than the claims of the oil drillers.

The point I want to stress to you is that, as with the proposed dams in the Grand Canyon years ago, we face on the Arctic coastal plain a choice about fundamentals. We can have the untouched, sublime wilderness. Or we can have oil field development.

But we cannot have both.

Opening of the coastal plain for oil exploration and development would be, despite all the much-vaunted technological promises, severely damaging to wildlife and the ecosystem. And it is inherently fatal to the wilderness qualities of this matchless example of America's natural heritage.

Through compromises that began more than four decades ago and were concluded when I signed the Alaska National Interest Lands Conservation Act in 1980, 95% of Alaska's North Slope has already been made available for oil exploration or development. We should not sacrifice the last 5%—the area scientists call the ''biological heart of the Arctic Refuge''—for a speculative short-term fix of oil a decade from now.

As with previous great environmental debates, this issue has assumed gigantic symbolic stature, as some have elevated it as the alleged ''solution'' to everything from higher gas prices to terrorist threats.

The truth is we could drill every national park, wildlife refuge, and coastline and still be importing more than half our oil, remaining just as vulnerable to the price fluctuations of the global oil market. By contrast, raising the fuel economy of our cars and trucks would save far more of then we import from the Persian Gulf, reduce greenhouse gas emissions, and save billions for American consumers. To put this in perspective, had the United States continued to conserve oil at the same rate we did from 1976 to 1985, we could have weaned ourselves from Middle East oil fifteen years ago.

I urge you to pass a cleaner and safer energy plan that enhances our security without undermining our nations' great wilderness heritage. Please vote against cloture on any amendment that would authorize oil drilling in any part of the Arctic National Wildlife Refuge coastal plain.

Sincerely,

JIMMY CARTER.

Mrs. BOXER. I now yield 5 minutes to Senator PATTY MURRAY who has also been a tremendous voice for the environment here in the Senate.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mrs. MURRAY. I rise this morning to support the amendment of my colleague from California, Senator BOXER, that will stop this backdoor attempt to

drill for oil and gas in the Arctic National Wildlife Refuge.

I spoke several days ago here on the floor of the Senate at great length about what this budget proposal would do, the budget resolution that is before the Senate, and how reckless it is. It ignores the cost of war, it ignores the cost of the aftermath in Iraq, and it underfunds critical priorities here at home such as homeland security, education, and transportation.

But I am appalled that there is something else buried in this massive budget that needs to be removed. The budget now before the Senate actually assumes increased spending that will result from opening ANWR up to exploration and drilling, even though the Senate clearly rejected that last year. Exploration and drilling in ANWR is a controversial issue, and it should be fully debated. But the appropriate place for that debate is on the energy bill which the Senate will consider in the coming months.

Last year, this Senate soundly rejected efforts to open ANWR to exploration and to drilling. This year, proponents of drilling are using a backdoor approach to try to get support for ANWR in this budget reconciliation. The amendment that has been offered by my colleague from California will strike that language and leave the ANWR debate where it belongs, as part of the upcoming debate on an energy bill.

The budget reconciliation process was enacted actually to help us reduce our deficit. That is even more important now that our country is back in red ink. Instead of supporting a process that helps reduce our deficit, proponents of drilling are using it to pass something the Senate rejected last year.

The Arctic National Wildlife Refuge is an important and unique national treasure. It is the only conservation system in North America that protects a complete spectrum of arctic ecosystems. It is the most biologically productive part of the Arctic Refuge. Energy exploration in ANWR would have a significant impact on this unique ecosystem.

I have heard the proponents of this measure argue over the years that energy exploration has become what they call more environmentally friendly. That may be true. But there are significant environmental impacts for this sensitive region. The oil reserves in ANWR, in fact the oil reserves in the entire United States, are not enough to significantly reduce our dependence on foreign oil.

There are ways to reduce our need for foreign oil. My colleague, the Senator from Illinois, spoke about that a moment ago. We can increase the fuel economy of our automobiles and lightweight trucks. We can reduce our need for foreign oil by expanding the use of domestically produced renewable and alternative fuels. We can invest in emerging technologies such as fuel cells and solar electric cars, and we can increase the energy efficiency of our office buildings and homes. Those kinds of strategies will reduce our dependence on foreign oil and protect one of our Nation's most precious resources. That is what we should be focusing on.

I think we should also remember the amount of oil in ANWR is too small to significantly improve our current energy problems. The oil exploration in ANWR will not actually start producing oil for as many as 10 years.

Exploring and drilling for oil and gas in ANWR is not forward thinking. It is a 19th century solution to a 21st century problem. The Senate should soundly reject this backdoor attempt to use the budget process to embrace drilling in the Arctic National Wildlife Refuge when so many in the Senate oppose it. We should debate drilling in ANWR when the Senate energy bill comes up, but we should not make a decision on drilling in this budget resolution.

I urge my colleagues to support this very important amendment by the Senator from California.

Mrs. BOXER. Will the Senator yield her remaining time?

Mrs. MURRAY. I yield my remaining time to the Senator from California.

Mrs. BOXER. I say to my friend, I appreciate her raising the issue of the safety here because in the Prudhoe Bay oil field and the Trans-Alaska we have seen an average 423 spills annually on the North Slope since 1996, and that is according to the Alaska Department of Environmental Conservation. Over 1.7 million gallons of 40 different substances, from acid to waste oil, have been spilled during routine operations from 1996 to 2002. There were 2,958 spills, commonly diesel, crude oil, and hydraulic oil.

My friend is right. Maybe years ago they would have been worse spills, but the fact is there are terrible spills now.

I see that my colleague's time is up. I thank the Senator for participating.

Mr. President, I yield 5 minutes to Senator STABENOW from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for up to 5 minutes.

Ms. STABENOW. Mr. President, first, as I begin, I know I share the feelings of all my colleagues, as we are debating this budget resolution and this important amendment, that our thoughts and prayers go to the men and women who are overseas, our troops who are being placed in harm's way. Regardless of our feelings about the policies that have brought us to this point, we all stand united in supporting our troops. It makes these kinds of debates even more important.

I am very proud to be a cosponsor of this amendment. I commend the Senator from California for her steadfast leadership on this issue, along with a number of colleagues of mine who have consistently stood firm about protecting the Arctic National Wildlife Refuge.

I have been pleased to be a cosponsor of legislation to stop drilling since first coming to the House in 1997. I also am proud to be the author of the ban that we placed on drilling in the Great Lakes, another national treasure. I view this area in Alaska as much of an irreplaceable and fragile natural and national treasure as the Great Lakes. I am very hopeful that today we will, one more time, stop this particular drilling policy from moving forward.

I would like to, once again, speak about some of the same points my colleagues have spoken of because I believe we have to keep repeating them to make it clear what the facts are.

First of all, the Arctic National Wildlife Refuge is, in fact, one of the wildest and most pristine places in the United States. We have an obligation to protect this area for the future, for those who are counting on us to be able to look beyond the immediate time period and look to the future for our country and for our children.

I believe we also have an obligation to stop back-door approaches to this issue. We are seeing, one more time, the drilling in the Arctic National Wildlife Refuge being placed in a bill where it should not be. This is a budget bill. We are focusing on the budget priorities for the next year.

Frankly, we should be debating how much the war is going to cost, and making sure our folks on the front line, and our first responders at home, police and firefighters and emergency workers, have what they need as we enter this very challenging time. Those are the kinds of things we should be debating, not seeing a back-door approach to drilling in the Arctic Wildlife Refuge.

Most importantly, we know that drilling in the wildlife refuge will not result in energy independence. This is talked about all of the time, but it needs to be repeated, that only 2 percent—if we were to drill, we are talking about 2 percent of America's oil demand every year; and it would take at least 10 years to begin to see this brought on to the market.

We are talking about 2 percent rather than focusing on other areas of energy policy that will net alternatives in terms of conservation: alternative vehicles, alternative fuels, all of those kinds of things we know will allow us to become energy independent sooner and more effectively for the long run.

It is impossible for the United States to drill its way to energy security and independence. What we need to have is a debate about the energy policy of the country and how we are going to move forward. And that needs to be done in the energy bill, not in the middle of the budget resolution.

I am concerned when I hear this particular debate tied to Iraq, the serious debate about war and the oil in Iraq. It is important to say that gas prices are determined by global supply and demand factors, as we all know, not by opening one area to drilling.

In addition, Iraq supplies a very small percentage of our U.S. energy needs. According to the EIA, only 1.5 percent of the Nation's energy supply comes from Iraq. Imports from Iraq were banned in 1990 in the wake of the Persian Gulf war, and we obtained no oil from 1991 to 1995—all with no impact on the greatest economic expansion in U.S. history. The fact is, Canada and Mexico together supply more oil to the U.S. than the entire Persian Gulf.

So I encourage my colleagues to join with us in support of this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. STABENOW. I thank the Chair.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). Who yields time?

The Senator from Montana.

Mr. BURNS. Mr. President, I, on this issue, yield as much time to myself as I shall need. I ask unanimous consent to do that, and that the time come off the resolution.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BURNS. Mr. President, I don't know exactly where to begin on this particular subject. But I would like for the American taxpayers to understand one thing: We maintain a strategic oil reserve. It is 700 million barrels of oil that is stored in salt caves in Louisiana. It costs us $175 million a year to maintain the Strategic Petroleum Reserve. I just want the taxpayers to know what they are paying for.

The fact is, part of that oil was purchased by this Government and put in there, but most of it was taken from royalties. They took the oil instead of the money. And that was recovered on the Outer Continental Shelf or from public lands. So it is there: 700 million barrels of oil that costs the taxpayers $180 million a year to maintain.

I suggest that we have a Strategic Petroleum Reserve that is not costing the American people a thing. It is still in the ground in North Dakota, found on public lands, where we cannot get to it. It is found in Montana, on public lands, where we cannot get to it. That is because of organizations that deal primarily in fear, not common sense.

Abraham Lincoln once said: God must have loved the common man because he made so many of us. Then, when we use the same term in the phrase ''common sense,'' that sort of changes the definition a little bit.

That Strategic Petroleum Reserve is also maintained, and it is still in the ground in ANWR. We do not know how big that reserve is. It has been estimated to be anywhere from 5.3 billion barrels upwards. Does it answer the question of our shortage? Does it take care of all of that? No, it does not. We know that. But, on the other hand, it replaces all the oil we buy that is termed ''rogue'' oil—Iraqi oil that we give hard dollars for and that you contribute to every time you fill your tank at a filling station.

What is that money used for? We have seen it on television every night for the past month and a half. We know what that money is being used for. We give it to a tyrant who uses that money to subsidize families, to entice them to take one of their children and strap dynamite on them and walk onto a bus and blow themselves up, and for the development of weapons of mass destruction, chemical and biological warfare. That is what that money has done.

And yet we sit here today trying again to ban the use of a resource that is not only one of the major underpinnings to our economy, but also takes away from that $180 million a year we spend to maintain that SPR in case of an emergency. That is 90 days. It wouldn't even last 90 days. We would just go through it, bingo. It defies common sense, what we are doing here.

As far as my State of Montana is concerned, I don't know what the impact is. I know during the major exploration and lifting of Prudhoe Bay and the North Slope when it opened up, probably 1,500 families in Montana worked on the North Slope. It provided a lot of jobs. I am not saying that their figure here on the creation of jobs is what some would claim, but it isn't zero, I will guarantee you that. It is going to put a lot of people to work. Maybe jobs only are important to us if they are just in our home state. Maybe it is the welfare of the people if it is just in our State. But the impact it has on Alaska is terrific, on the people who live there, work there, raise their families there, provide services there.

If you wanted to put it to a vote in Alaska, this debate wouldn't even be taking place. The Native Alaskans; ask them, take a vote among them, if we really believe in this 50 percent plus 1. It is their income. This is just about all they have.

What you see of the pictures over there is a result of a 30-day growing season. Any other time I would look with great interest at a photograph that was being displayed last night of the caribou that was out in the water. They had water clear up over their back going into the sea up there. Do you know why they are standing in that water, folks? It is not to cool off. Because they have mosquitos up there that are big enough to turn over your dog tags and check your blood type. That is what they are getting away from. It is a hostile environment.

What are we doing here with the new technology: I mentioned a while ago the jobs of the families who are affected in my State. Those kinds of jobs have moved on. New technology has taken over. We drill differently now. We do it all differently with horizontal drilling practices, with one little area impacted. You may see the wells. It wouldn't be the size of the Chamber of the Senate. It may have a dozen wells. That is the way we do it now. Technology has moved on.

I was interested in the words of my good friend, the Senator from Michigan, and the Senator from California. And by the way, California consumes 12 percent of all of the transportation fuels produced in this country. Yet we cannot drill on the Outer Continental Shelf of California. There is a moratorium on that. There is a moratorium on Florida. They are quick to talk about the Gulf of Mexico and off the coast of Louisiana and Alabama. We can't drill off the east coast, yet Canada does. When you get north of the border, they drill all the way offshore almost to Iceland. If you want to go east of the United States and the Canadian line and the northern territories off Alaska, you have gas and oil production all across Canada. The largest exporter of energy to this country is Canada, both in crude and in gas.

Yet the United States is being denied our own resource in our own country to supply the heat and the transportation fuels for our own people and our own security. And groups would manipulate information on ANWR to deny the American people when common sense tells you it is just the other way. Those of us who live near and some of us on public lands understand what the thinking is.

I will tell you this, as we talk about this total resolution. If you want to see something happen, this President has offered a way to stimulate the economy and to have it going when those young men and young women come home from the gulf and they go back into the workforce. Do you want them to come back into a sluggish economy? Is that what we want to do here? Do we want to take a sluggish economy and pound it down further and have no opportunities for them outside of military life, those reservists and also those who serve in the National Guard?

We are finding out the cost of 50 percent of our force structure and military is at home now and not found on military bases, full-time soldiers, sailors, marines, and airmen. This is a part of that growth package. This is a part of a package that shows immediate return to the American taxpayer and also gives us that security, our own home security, if it is ever needed. What is wrong with finding out how much oil we really have? We can't even explore, let alone lift. And we are doing it based on thinking and facts that do not heed common sense. It is groups, little tiny groups that propagate misinformation and do it on an emotional ''green, fuzzy'' resolution. That you would deny people a livelihood, deny them food, deny them the basic needs of education and health care in the State of Alaska based on misinformation, that can't make one feel very good.

So if we are looking for job creation, if we are looking for energy security, if we want to do away with this little ticket of $175 million a year just to maintain oil in salt caves, then when you get the bottom line, the answer is

pretty clear—let alone the promise that this Congress made to the State of Alaska whenever they passed the land bill there and also created the Alaska National Wildlife Refuge.

By the way, we are breaking that word, too. That rests on the backs of Congress. So I ask for those who live there, the Natives who were raised there, with their traditions—I will tell you, I don't know if you have ever seen the caribou come across there. The area is not short of wildlife—not from the impact of Prudhoe and North Slope. All the benefits that have gone to Alaska and to America as a result of that tremendous resource—those tremendous reserves, in a part of the world that is fragile, yes; all land is fragile, but it is a land we can take care of and still use the resources it provides.

I ask my colleagues to use some common sense. Go through the same figures I have. If you get a different number, you let me know, because I am just a country boy; I count bushels and heads of livestock. But when you get to the bottom line, it is a plus for America, a plus for our security, a plus for jobs, and it is also a plus for the great State of Alaska.

Our technology has not gotten us to the point where we can safely and economically do in our transportation fuels, using fuel cells and biomass, anything you want to do. That technology is not there yet, folks. If you want to cut off the oil today, you will see how fast this economy would crumble. But you cannot talk economy, you cannot talk numbers, because this is an emotional debate. It is wrong. It is wrong to do it to the State of Alaska, and it is wrong to do it to America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I ask that the Senator from North Dakota yield such time as I may consume.

Mr. CONRAD. I am happy to do so.

Mr. REID. Mr. President, we are doing our best, in accordance with the direction we have gotten from the majority leader, to move this bill along. We are trying. I spoke to the manager of the bill this morning, and we are trying to do that. We want to offer other amendments. We have a couple of minutes left to speak on ANWR. We want to offer other amendments. We were ready to vote on ANWR last night, or this morning, or early this afternoon—anytime. We need to move this legislation along, and we are doing the very best we can, but we have amendments we have to offer.

I hope we have the opportunity to do that. The time is quickly dwindling, and we are doing our best not to have many votes on the vote-athon; but with each day that goes by, it appears there will have to be more because people are not having the opportunity to offer amendments.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, I will use my leader time for the comments I am about to make.

The decision whether or not to allow drilling in the Arctic National Wildlife Refuge is a defining moment for national energy and environmental policy.

This debate reflects two divergent views of our Nation's values and future.

We have a choice: Either we can continue building oil wells in environmentally sensitive areas or we can reject the quick fix and broaden our Nation's energy base while honoring our commitment to our natural heritage.

It has become apparent that America depends too heavily on some very undependable foreign sources of oil.

Hostilities in Iraq are just the latest chapter in decades of instability in the Persian Gulf.

Meanwhile, production of oil in Venezuela has been brought to a near standstill because of domestic unrest.

For the sake of our economy, for the sake of national security, and for the sake of our environment, America must reduce its reliance on foreign oil.

But instead of diversifying energy supply, investing in new technologies and promoting efficiency, the Bush administration's priority is to look for the next big domestic oil field.

Last year, the Senate rejected the Republicans' effort to authorize drilling in the Arctic National Wildlife Refuge in comprehensive energy legislation. Now they are back attempting to use the budget resolution to grease a change they couldn't make in the energy bill.

No matter how clever they view this parliamentary sleight of hand, the proponents of drilling in the Arctic Refuge cannot escape the facts.

While endangering one of the most pristine areas in the world, drilling in the Arctic National Wildlife Refuge would do nothing to make our country more energy independent.

We cannot sit silently by while the administration promotes a short-sighted strategy that mortgages one of our most precious and irreplaceable wild spaces for a few months' supply of oil.

Gasoline prices are soaring today. Yet this proposal would add nothing to our oil supply for 10 years.

Even then, the Arctic Refuge would supply our country with no more than 6 months' worth of oil and would reduce our dependence on foreign oil by just 2 percent.

This is not a serious attempt to come to grips with America's long-term energy needs. America cannot drill its way out of this problem.

Ninety-five percent of Alaska's North Slope is already open to drilling and exploration. Even if we drilled in the last 5 percent, even if we drilled in the backyards of every American, we could not satisfy our Nation's appetite for oil.

America produces just 3 percent of the world's oil; yet we consume 25 percent of that supply.

The answer to our energy challenge will not be found in the Arctic Refuge.

The answer will be found in our willingness to encourage American innovation and break the habit of spiraling energy consumption. We have met this test in the past.

In the 1970s, Congress increased fuel efficiency standards and began to encourage the development of renewable fuels.

Today, those fuel efficiency standards save our country the cost of 3 million barrels of oil every day.

That, and a wide range of clean, domestic, renewable energy technologies would dwarf any contribution the Arctic Refuge could make in the future.

Meanwhile, if drilling in the Arctic Refuge is authorized, our lack of vision would come at enormous cost.

According to the administration's own Fish and Wildlife Service, ''The Arctic refuge is among the most complete, pristine, and undisturbed ecosystems on Earth . . . a combination of habitats, climate and geography unmatched by any other northern conservation area.''

There is no alternative to Arctic National Wildlife Refuge once it is despoiled. But there is an alternative to this reckless proposal:

A true national energy strategy that speaks to our core environmental values while at the same time frees our country from the dictates and uncertain fortunes of foreign oil producers.

Now more than ever, we should be aware of the real cost of dependence on foreign oil.

Now more than ever, we need real answers and serious stewardship to the energy challenges of our Nation's future.

Mr. President, I encourage my colleagues to vote to strike the authorization to drill for oil in the Arctic National Wildlife Refuge from the budget resolution.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. On behalf of Senator CONRAD, I yield 10 minutes to the Senator from New Jersey, Mr. LAUTENBERG.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I thank my colleague from Nevada for yielding the time to me to talk about the Boxer amendment and talk about the decision we could be making very shortly about the use of oil from the Arctic National Wildlife Refuge.

Mr. President, what happens is, as these debates get going, sometimes we hear statements that are somewhat misconstrued or mistaken. We just heard it suggested on the floor that funds from the purchase of Iraq oil are used to purchase bombs. Nothing could be further from the truth. The fact is, that money is passed through the United Nations to buy food to be distributed to the people of Iraq. There is no way that money can be used to buy

bombs. It is important we keep the record straight.

I want so much to see the Boxer amendment prevail, but in order to make the case, apparently, we have to do more than simply justify the fact that if we did not do this, we could find other ways to conserve oil and not have to invade this snow desert, if one has ever seen it. It is one of the most beautiful places in the world, and the last thing we ought to do is turn the Arctic National Wildlife Refuge into an oilfield.

I traveled to Alaska in the aftermath of the Exxon Valdez spill in 1989. At the time, I was chairman of the Transportation Appropriations Subcommittee, so I had jurisdiction over Coast Guard funding. I was also a senior member of the Environment and Public Works Committee. So I had a great deal of interest in the Valdez incident.

What I saw was shocking, stunning almost. Over 11 million gallons of oil spilled into the Prince William Sound. I witnessed beautiful wildlife covered in oil, many dead or dying. I saw workers from the Department of the Interior, the fire service, and others hand wiping oil off birds and other wildlife. It was a devastating tragedy.

The disaster left a major impression on me. I thought about my children, my grandchildren, other people's children, and other people's grandchildren. I never wanted to see the dismay on their faces should they ever witness this tragedy.

To this day, 14 years later, the area remains contaminated with a persistence that has surprised many scientists. Sadly, the optimistic predictions of its recovery proved to be unjustified. Fully 60 percent of the area remains contaminated. Pools of toxic oil are still being found several feet deep.

Ecosystems, such as those in Prince William Sound and the Arctic National Wildlife Refuge, are so fragile, they are such delicate treasures of our Nation.

I had the privilege of visiting the Arctic National Wildlife Refuge at the same time, and I can tell you, from personal experience, that in addition to the damage caused by drilling and oilspills, the debris of human intrusion, acres of rusting pipes and dilapidated structures dishonors America's 100-year-old tradition of protecting remote wild places.

On that visit, I flew in a single-engine plane across to a community called Deadhorse. It is right near Prudhoe Bay. It was troubling to see that area, the tundra littered by refuse left by the same oil companies that now avow they will be good environmental stewards should the Arctic Refuge be open to drilling.

Why would we risk devastating these national treasures? For what gain?

There is a dispute as to whether it is a 6-month oil supply or more that we will see from the Arctic Refuge, but for this short-term gain, what is the long-term risk, the cost?

I believe the long-term damage is too great. Turning this refuge into an oilfield will result in the loss of a national treasure we will never be able to replace. Look at what is happening on the North Slope. The National Research Council's new report shows that oil drilling on the North Slope has drastically reduced the population of nesting birds, such as the snow geese, and seismic exploration has displaced the culturally sacred bowhead whales from their migratory path, according to the National Research Council.

Additional drilling will only compound the stresses on these and the 200 other animal and bird species that inhabit the region.

What would the payoff be for recklessly endangering this national treasure? We would save more oil than we could drill at the Arctic Refuge at the height of production by requiring SUVs to meet the same fuel economy standards as regular cars. We never hear talk about conservation. We never hear talk about everybody pitching in on the eve of a war to economize and use less fuel whenever we can do so.

There is simply no good reason to endanger this fragile Coastal Plain ecosystem.

More than oil is at stake here. Thoreau wrote:

> In wilderness is the preservation of the world.

America and the world need the last remaining wilderness places. The Arctic wilderness is one of those places. It would be unconscionable to despoil it for all time just for a bit of oil. We can find other ways.

I came across an article that tells us about the risk, a risk we are not discussing in pure terms. This is an Internet news report from a service called Ananova. The headline is: "ExxonMobile damages for Valdez spill cut to $4 billion from 5; to appeal." It is going to be appealed further by the ExxonMobile company. They already paid some damages to the Alaskans, some money for cleanup, and some money to the State and Federal governments. But they have yet to pay a dime for punitive damages. This is 1989. We are not talking about recent months or even recent years. Fourteen years ago last month that tragedy took place, and they have not paid, and they do not want to pay. They are going back to court to say, Reduce our damages, even though the court the first time assessed them a $9 billion punitive damage claim. They are working their way down, and maybe they will get it down to nothing one of these days. We ought to stop it right now where it is and not permit this to continue. They just want to get their mitts on the money that comes from that oil drilling, and it is without regard for the consequences.

Mr. President, I ask unanimous consent that this article by Ananova be printed in the RECORD.

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

[From Ananova, December 8, 2002]

EXXONMOBIL DAMAGES FOR VALDEZ SPILL CUT TO $4 BILLION FROM 5; TO APPEAL

A US federal court in the state of Alaska has reduced punitive damages awarded in the 1989 Exxon Valdez oil spill to $4 billion from 5 billion, ExxonMobil Corp said in a statement late on Friday.

The company, which had been hoping for a far greater reduction in damages, said it plans to appeal against the ruling, saying it is excessive and "entirely inconsistent with the law."

ExxonMobil wanted the damages cut to no more than $40 million, a sum which would be "only slightly less than the largest punitive damages award ever approved by any federal appellate court anywhere."

A US appeals court last year sent the case back to the Anchorage District Court with orders to reduce the award to an amount consistent with constitutional limits.

Company officials said ExxonMobil took immediate responsibility for the spill, cleaned it up, and voluntarily compensated those who claimed direct damages.

It also paid $300 million immediately and voluntarily to more than 11,000 Alaskans and businesses affected by the spill, 2.2 billion for the cleanup of Prince William Sound, and another 1 billion to state and federal governments.

[From Environment, April 20, 1995]

JUDGE VOIDS PORTION OF EXXON FINE

An Alaska state judge, Brian Shortell, ruled that Exxon Corp., did not have to pay $9.7 million in punitive damages to five Alaska native corporations, it was reported March 31. The damages originally had been awarded in recompense for land damage caused by the March 1989 Exxon Valdez oil spill. The ruling had no effect on the $5 billion in punitive damages that Exxon had been ordered to pay to 14,000 Alaskan natives, fishermen and property owners. [See 1994 Environment: Exxon Fined $9.7 Million in 'Valdez' Spill, 1994 Exxon Fined $5 Billion In 'Valdez' Spill; Record Award to fishermen, Natives, 1989 Largest U.S. Oil Spill Fouls Alaska Marine Habitat; Containment Effort Delayed from Onset]

Shortell said that the corporations already had received adequate compensation from the Trans-Alaska Pipeline Liability Fund and a $98 million settlement with Alyeska Pipeline Service Co.

[Exxon Press Release, November 7, 2001]

EXXON VALDEZ APPEALS RULING, STUNS ALASKANS

(By Yereth Rosen)

ANCHORAGE, Nov. 7.—Exxon Mobil Corp.'s reprieve on Wednesday from a $5 billion punitive fine stunned and angered Alaskans who had sued the energy giant for punitive damages from the 1989 Valdez oil spill disaster.

The 9th Circuit Court of Appeals ruled that the fine, ordered by a U.S. District Court jury in 1994 at the close of a summer-long civil trial against Exxon was excessive. The court sent the case back to the trial court for assessment of a new fine.

One Alaska Native leader in Cordova, the town that is the center of the Prince William Sound commercial fishing industry, described a groundswell of anger at the ruling.

"I wouldn't want to be anyone from an oil company in this town today, I'll tell you that," said Bob Henrichs, a Native leader in Cordova.

Anyone associated with Exxon is particularly unwelcome, he said. "They hired a drunk who couldn't get a license to drive a car and turned him loose with an oil tanker," he said.

About 40,000 fishermen, Natives, property owners and others affected by the spill sued Exxon over the disaster. Most of the cases were consolidated and heard at the 1994 trial. Many plaintiffs were counting on payments from the punitive verdict to help heal various problems, including a deteriorating fishing economy.

Now the appeals court ruling has dashed those hopes, said Riki Ott, a Cordova fisherman, marine biologist and environmental activist.

The ruling means that Exxon Mobil may emerge unpunished for the spill, which continues to harm the area's environment and people, Ott said.

''They just go on, business as usual, and try to shove all of us under the carpet by relying on the court system, which favors big corporations,'' she said. ''Exxon has continued to profit off this, and we're all slowly going broke.''

SHOCK AND SURPRISE

Sue Aspelund, executive director of Cordova District Fishermen United, said she reacted to the news with ''shock and surprise.''

The fishermen's group on Wednesday was still trying to figure out what to do next, she said. Henrichs, president of a 500-member tribal organization based in Cordova, said his faith in the court system was shaken by the ruling.

I'd like those judges who made that decision to come up here and confront our people, look us in the eye,'' he said.

One of the lead attorneys for the spill plaintiffs said he believes the punitive award can be resurrected.

Attorney Brian O'Neill said arguments over the punitive fine will be made again within months before U.S. District Court Judge H. Russel Holland, who presided over the 1994 trial.

''And we'll go back and get the $5 billion. Because I think the process was fair, I think the award was fair,'' said O'Neill, who presented most of the plaintiffs' case at the trial.

''The thing that I'm sad about and embarrassed about is that it's taken us so long to get here,'' he said. ''It's going to take another year or two longer, but we'll get there.''

Meanwhile, Henrichs' organization, the Native Village of Eyak, and other Native groups are pushing for stricter regulation of the trans-Alaska pipeline. The 30-year leases that allow the pipeline to operate on state and federal land are up for renewal in 2004.

Ott is working on a campaign—including a possible new lawsuit against ExxonMobil—to address chronic illnesses that spill cleanup workers said they suffered as a result of working without proper protections.

The 11 million gallon (50 million liter) spill, the worst tanker disaster in U.S. waters, polluted more than 1,200 miles of shoreline and was the deadliest ever to wildlife.

It killed thousands of marine mammals and hundreds of thousands of seabirds, forced the shutdown of fish harvests and, government scientists say, caused lingering damage to fish, bird and mammal populations.

The U.S. District Court jury found that reckless behavior by Exxon and tanker captain Joseph Hazelwood had led to the spill. That verdict paved the way for the punitive fine.

Also during the trial, the jury ordered Exxon to pay $287 million in compensation to commercial fishermen, and the company settled some of the Native compensatory claims before the trials's end.

Mr. LAUTENBERG. Mr. President, we will wrap up this debate in a very short while. We have to look at the full picture. It is not simply getting oil here or taking advantage of an opportunity to go into the Arctic National Wildlife Refuge to search for more opportunities to consume oil at a rate that has never been heard of. We have to step back and take a look into the future as to what we want for our children and their children.

I hope the Boxer amendment will get the support it deserves. I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire. Who yields time?

Mr. NICKLES. Mr. President, how much time does the Senator from New Hampshire desire?

Mr. SUNUNU. I had not calculated it. Twenty minutes.

Mr. NICKLES. I yield to the Senator from New Hampshire as much time as he desires.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SUNUNU. I thank the Chair. Mr. President, I thank the chairman. As a new Member of the Senate, I bring to this body, as do many of my colleagues, experience having served in what we like to refer to as the ''other body,'' the House of Representatives. Prior to that service, I worked in what we sometimes refer to as the ''real world'' in manufacturing, having been trained as a mechanical engineer.

Engineers often try to develop solutions to problems by arguing from first principles, and that means simply that you work from the most basic understanding of a problem you wish to address. Once you come to terms with the central element of that problem, you are far better able to craft a meaningful and effective solution.

What the astute listener might ask is: What does this have to do with the Federal budget? And to that I reply, if you really want to put together an effective budget and a meaningful budget that will serve us well, we need to remind ourselves exactly what this budget resolution is for.

As we listen to much of the budget debate, one might understand or come to assume that the budget resolution establishes funding levels for every conceivable Federal program, every line item in the budget; that it rewrote the Tax Code; that it modernized Medicare, all in and of itself without even having the benefit of the President's signature. Of course, this is not the case, even though the rhetoric we hear might suggest otherwise.

So what is the budget resolution? It is simply a blueprint. It is a vision the Congress puts forward of where we imagine our budget priorities should be this year and in future years. We try to set priorities for taxes and for spending, try to estimate what we are going to collect into the Federal coffers, and try to set priorities for modernizing programs like Medicare or Social Security. Above all, it reflects a set of priorities.

For example, listening to the debate this morning, one might get the impression it actually authorizes oil exploration in northern Alaska. That is simply not the case. What the budget resolution as written would do is allow the Senate Energy Committee to write legislation that would then be debated on the Senate floor. It would still have to pass the Senate to allow exploration or production in northern Alaska to take place. The budget simply provides the mechanism allowing that legislation to be written and then later brought to the floor.

Our goal in this debate should be to reflect the right set of priorities in our country. To be sure, this is a $2 trillion budget we are talking about. If I or any of my colleagues were writing a $2 trillion budget, I am sure someone somewhere would find something in that $2 trillion budget they might disagree with, and I understand that. Any Member of the Senate, any citizen of our country, can find something in our Federal budget they are not comfortable with, that they do not like, that they would disagree with, a program they would change. But if we want to do the work of the American people in the Senate, we need to put together that budget blueprint. We need to set those priorities, and I would hope those priorities would be consistent.

As we listen to the debate over the next few days, unfortunately we will hear a lot that is not consistent. We will hear individuals talk about their concern for the Federal deficit, and then they will step forward and vote for an amendment that raises domestic spending and increases the deficit. We will hear individuals raise concerns about the cost of military action at this historic time. But after raising concerns about those costs, those individuals will then step forward and vote for amendments that raise domestic spending.

We will hear Members raise concerns about economic growth, and then instead of stepping forward to propose or support a package that lays the foundation for future economic growth, what will they do? They will step forward and they will vote to raise domestic spending. There is a pattern, to be sure.

We are in challenging and difficult times, and we have work in front of us that will require us to make difficult choices and to set the right priorities for our country.

Why do we need this budget in the first place? We need this budget, as I suggested before, to enable us to get our work done. I talked about the budget allowing the Energy Committee to come forward with legislation crafting a comprehensive energy policy that might include exploration in northern Alaska. The budget will also set an overall limit on discretionary spending. This year, I think the goal put forward in the budget resolution is approximately $784 billion. But we need to set that goal, that cap, that target, so the other spending committees, the

Appropriations Committee in particular, can then move the spending bills forward.

This is not insignificant. Last year, we failed to pass a budget in the Senate and we paid for it. We paid for it because as a result we could not get the work of the country done. We ended up completing that work, not in September, October, November, or December of last year, but in January of this year. That is simply wrong. That is why we need a budget. The budget lays the foundation for critical legislation, and not just a comprehensive energy bill. If we want to modernize Medicare, pass a prescription drug benefit for retirees in this country, we are going to need a budget resolution. If we want to pass an economic growth package that helps lay the foundation for job creation in America, we are going to need a budget resolution.

The Senate may well appear chaotic under any circumstances, but without a budget we are even more so. I do think it is important to note the minority in this case has not offered any comprehensive alternative to the budget. We will hear debate and criticism of the pending resolution that is before this body, but no comprehensive alternative. This is similar to last year when the minority, then in the majority, failed to offer and pass a comprehensive budget. As a result, not only were we completing last year's business this past January, but we were unable to pass a prescription drug benefit under Medicare and other work before the Senate was delayed. The budget resolution is critical to being able to get our work done in Congress.

What is in the budget resolution that is before us? What are the priorities we have laid out that have been put together by the hard work of the chairman of the Budget Committee and the members of the Budget Committee? Given the challenge of these times, I think it is a very strong package. The overall spending level, $784 billion, represents a growth in discretionary spending of a little bit less than 4.5 percent.

There is a basic principle at work, and that is we should not be expanding the size and scope of the Federal Government. We should not be increasing domestic spending any faster than an average family budget is increasing.

On the defense side, we all know the challenges we face, the priorities we need to set in defense spending. Defense spending has increased approximately 3.8 percent. Homeland security, where we need to make investments in new technology and new ways of identifying threats to this country, has been increased over 25 percent in order to help first responders—police and firefighters—around the country.

As with defense and homeland security, we have to set priorities throughout the budget. If the Federal spending level is increasing by 4 or 4.5 percent, not every program can receive a 10 or 20 percent increase. Priorities need to be set.

On veterans health care, we step forward to provide an increase of $1 billion in this budget; on education, a 4.5 percent increase, including $1 billion for special education, which is an enormous unfunded Federal mandate on cities and towns around the country. In science, space, and technology research, the budget provides for an additional 5.5 percent over last year. Setting priorities in important areas; that is what putting together a good budget is all about.

This budget will allow us to modernize Medicare, to add a prescription drug benefit to Medicare, something that is essential if we are going to deliver on our commitment to a modernized health care system for our retirees.

As we have heard and will continue to hear over the next couple of days, this budget allows for an economic growth package to help get our economy moving, to help create incentives to entrepreneurs and risk takers across the country to create new economic opportunity and to create new jobs.

I think it is the right set of priorities. I think it makes sense to put together a package that focuses on economic growth. I think it is the right thing to do to make sure we are not expanding the size and scope of the Federal Government any faster than the average family might be expanding its budget.

To be sure, we will hear people argue about the level of spending and we will have amendments to increase Federal spending in a number of areas. The fact of the matter is, we would hear those arguments and have that debate no matter what the spending level in this budget resolution was. If it was at $794 billion, we would have similar amendments to increase Federal spending. If it was at $800 billion, $810 billion, or $820 billion, we would have the same amendments to expand the size and scope of the Federal Government, because some legislators find it more difficult than others to set priorities and to control the size and scope of that spending. Now more than ever we need to set priorities.

We have heard and will continue to hear a lot of discussion in this budget debate about the deficit. It needs to be addressed. We cannot ignore it. In order to do the right thing regarding the deficit, we have to understand why it is there. Why do we have a deficit?

I just talked about spending growth. Growth in spending, expansion of the size and scope of the Federal Government, that alone is responsible for 25 percent of the deficit we have projected for the coming fiscal year and over the coming 10 years.

We had surpluses after a long period of expansion that began in the early 1980s, with a sharp brief interruption in 1991. Revenues increased year after year. We had record revenue growth because we had strong economic growth. That enabled us to balance the budget. Coupled with control of growth in spending, we were able to balance the budget. Some say the surpluses then just provided incentives to ramp up the spending level again. As we have seen over the last 5 or 6 years, the growth in discretionary spending has been at near historic levels.

At the same time, we had unprecedented defense and homeland security needs that had to be dealt with in the wake of September 11. With the recent economic downturn, we have seen unemployment costs increase once again. So new spending has been responsible for about 25 percent of the deficit. An even larger portion, almost half of the deficit, has been caused by the slowdown in the economy and the drop in revenues. This is unfortunate, but we all understand we are in slow economic times.

The result has not been created by tax cuts. Despite the rhetoric, the Tax Relief Act signed into law in 2001 was responsible for less than 25 percent of the deficit we will see in the coming year. It was the slowdown in the economy, cutting Federal revenues by over $150 billion over the last year, that resulted in 50 percent of the deficit we see today. That is why it is important we include in this resolution an allowance for an economic growth package. The economy has slowed down.

We need to understand why it slowed down. It is not because of inflation. It has not been because of a slowdown in consumer spending. American consumer spending has been surprisingly robust over the last 18 months. It has not been a credit squeeze like we had in 1991. This economic slowdown has been driven by and led by a slowdown in business investment. Businesses are reluctant to go out and spend additional capital on improvements to plants and equipment, on improvements of productivity and expansion of their facilities. We know of the slowdown in technology investment. That has led this slowdown in the economy.

If we want to do something about it—and I think we all care about the economic growth in this country—if we want to do something, we have to address the reason for the slowdown, to address the sharp downturn in business investment. That is what the economic package of the President has put forward and what this budget resolution attempts to do.

We have other options. We could do nothing. At the end of the day, if you watch the votes carefully, you will see that there are a number of Members of this body who would just as soon do nothing. They do not support an economic growth package. They will argue they do not want to increase the deficit. That means do nothing, do not spend any additional money, do not put together an economic growth package. I do not think with the economy as slow as it is, the American people want us to say we are going to do nothing to try to get job creation back on track.

We could spend more money and there will be a series of amendments to

this budget resolution to do just that. Some will be offered by those who decry the short-term deficit, or the deficit that we have had over the last year. But they will offer amendments to spend more money and ultimately increase the deficit. The idea that we could spend ourselves out of a recession is ridiculous. It is absurd on its face.

We have extended unemployment insurance. That was the right thing to do and it is an important thing to do. But in and of itself, spending more on unemployment insurance will not rekindle economic growth. We need to recognize that in order to create incentives for entrepreneurs and risk takers to spur job creation, we need to look at the Tax Code. That is where the growth package comes forward.

Is it a big package? Relatively speaking, not at all. It represents less than 2.5 percent of our Nation's revenue collections over the next 10 years. But it is focused on making the Tax Code more fair: by getting rid of the double taxation on dividends; by giving small businesses incentives to invest in plants, equipment and the modest increases I spoke of; and by tripling the amount small businesses could expense over time. It tries to deal with the economic slowdown by recognizing the first principles of why the economy has slowed down in the first place.

This budget sets forward a realistic, reasonable and common-sense limit on Federal spending. It sets priorities even within those areas for veterans health care, special education, science and technology, homeland security, and our national defense. It allows us to modernize Medicare and add an important prescription drug benefit. It also sets forward principles for an economic growth package we all know is needed in America.

It is a strong resolution. With all due respect to the chairman of the Budget Committee, it is probably not a perfect resolution. I served for 6 years on the Budget Committee in the House, and I am the first to admit there is no such thing. But it is a strong set of priorities for America. It reflects common sense when you look at the economic realities, the budget realities and the national security realities we have.

America was built on a foundation that rests on individual liberty. From that very first principle comes our country's commitment to property rights, to free markets, and to open trade. As we conclude this debate on the budget in the coming days, I hope our budget resolution will reflect the importance of these ideas; that it will include provisions necessary to strengthen our economy, but that it will balance the needs of our Government with the rights of individuals. These are not just fanciful ideas, but are bedrock principles that enabled America to build the strongest economy the world has ever known. They make us strong today and will keep us strong tomorrow.

Although I am just beginning my service in the Senate, I hope it will be marked by a consistent and enduring commitment to these ideas. I can think of no better way to serve my State and my country.

I yield the floor.

Mr. INHOFE. Mr. President, I rise today to discuss America's national security and the need for American independence from Middle Eastern oil.

America's chronic dependence on foreign oil is a critical national security issue. It not only affects citizens and businesses nationwide, but also has a direct impact on our Nation's ability to fight and win wars. As we prepare to engage in military operations in Iraq, it is important to understand that our forces are highly dependent on foreign oil, much of which comes directly from Iraq. In other words, we are dependent on oil from Iraq to fight a war against Iraq.

During the 1970s energy crisis, America was 36 percent dependent on foreign oil. Today we are 56 percent dependent, and by 2010, we are headed for well more than 60 percent. For the military, it now takes eight times as much oil to meet the needs of each U.S. soldier as it did during World War II. The Department of Defense today accounts for nearly 80 percent of all U.S. government energy use. During the 1991 Persian Gulf war, our 582,000 soldiers consumed 450,000 barrels of petroleum products—four times the daily amount used by the 2 million Allied soldiers that liberated Europe from the Nazis in World War II. Since World War I, the outcome of every war has been influenced by the control of the energy. We are talking about a serious national security issue.

As a result of military operations in Iraq, we must prepare ourselves for the possibility of disruptions in the flow of oil from the Middle East. Iraq has been the fastest growing source for United States oil imports. Shockingly, in the year 2000, $5 billion of American money went to Iraq to buy oil. After September 11, when asked how U.S. dependency on foreign oil relates to our national security, Deputy Secretary of Defense Paul Wolfowitz said that U.S. dependency on foreign oil ''is a serious strategic issue. . . . My sense is that [our] dependency is projected to grow, not to decline. . . . it's not only that we would, in a sense, be dependent on Iraqi oil, but the oil as a weapon. The possibility of taking that oil off the market and doing enormous economic damage with it is a serious problem.''

It is critical that we develop our own resources and establish our energy independence. Energy Secretary Spencer Abraham has reviewed our national energy policy. He has warned that unless we act now, we will threaten our national security, damage our economic prosperity, and harm our quality of life. Likewise, in both 1995 and 1999, the Secretary of Commerce acknowledged, pursuant to a law directing his assessment, that our oil deficit poses a threat to national security. This threat has been acknowledged by both sides of the aisle.

According to Secretary Abraham, consumption of energy has risen sharply yet production continues to decline. In a report released by the Energy Information Administration, the Department of Energy estimates that oil and gas reserves totaling 1,166 trillion cubic feet are recoverable in the lower 48 states and Alaska. The oil we could recover from three square miles of Alaska alone would allow our Nation to replace the oil we buy from Saudi Arabia for 30 years.

The time to act is now—not for some immediate quick fix, but for the long-term security of America in the years and decades ahead. Our lack of an adequate long-term national energy policy is not a partisan matter. It is a supreme national challenge that cannot be continually ignored without posing an increasing danger to our security and our way of life. Sadly, our Nation has failed for three decades to address this issue properly.

The tired refrain that ANWR ''will destroy the environment'' is so out of date and out of touch with reality when we have the technology and the know-how to affirmatively protect the environment while meeting an important long-term national security challenge. Additionally, I wish it were required for everyone who is going to be voting on ANWR to take a trip up to the North Slope of Alaska to see what we are really talking about. It is not a pristine wilderness. We are only talking about a very small, a minuscule part of that area up there, and we are talking about an environment where the Eskimos, the local people, are begging us to come in and open it up.

They have estimated that between 5.7 billion and 16 billion barrels of recoverable oil will be found in ANWR's Coastal Plain—up to 16 billion. That equates to over $300 billion worth of American oil. The American people want our country to comprehensively rebuild our military, our defenses and our future security on all fronts. This was true before September 11. It is only more true today. It is time for the Senate to vote, for the Congress to act, and for America to move forward towards true and lasting energy independence.

Mr. SARBANES. Mr. President, I rise in strong support of the amendment introduced by Senator BOXER, which would strike the provisions contained in the pending Budget Resolution that would allow for the commencement of oil exploration and drilling in the Arctic National Wildlife Refuge, ANWR. I am deeply concerned about the irreparable damage these actions would have on this unique and beautiful wilderness.

A mere 6 days ago, the Senate unanimously passed a resolution commemorating the Centennial Anniversary of the Wildlife Refuge System, established by President Theodore Roosevelt in 1903 with the designation of the Pelican Island Reservation on the eastern coast of Florida. According to last

week's resolution, which I cosponsored, the Senate ''reaffirms its commitment to continued support for the National Wildlife Refuge System, and the conservation of our Nation's rich natural heritage.'' The language contained in the pending Budget Resolution, which would lead to the disturbance of one of the largest and most pristine components of the Wildlife Refuge System, not only falls far short of this reaffirmation, but explicitly breaks the commitment laid out by President Roosevelt a century ago.

The principal mission of the Wildlife Refuge System, in President Roosevelt's own words, is ''keeping for our children's children as a priceless heritage, all of the delicate beauty of the lesser and burly majesty of the mightier forms of wildlife. . . .'' Moreover, Roosevelt declared that this mission is founded on the basic principle that ''wild beasts and birds are by right not the property merely of the people who are alive today, but the property of unborn generations, whose belongings we have no right to squander.'' The environmental damage we have seen throughout the country over the past 100 years has strengthened and reaffirmed President Roosevelt's wise foresight in preserving certain areas of beauty and natural significance for present and future generations.

Proponents of drilling in ANWR have claimed that oil exploration activities on the Refuge's fragile coastal plain will result in virtually undetectable environmental impact. However, an extensive, congressionally mandated report released earlier this month by the National Research Council of the National Academies of Science and Engineering makes clear that drilling in ANWR will result in significant damage to the region. According to the report, which examined the cumulative effects of oil and gas exploration and production on Alaska's North Slope over the past three decades, ''[r]oads, pads, pipelines, seismic-vehicle tracks, and transmission lines; air, ground, and vessel traffic; drilling activities; landfills, housing, processing facilities, and other industrial infrastructure have compromised wild-land and scenic values over large areas. . . .'' Moreover, ''climate changes during the past several decades on the North Slope have been unusually rapid,'' and ''noise from exploratory drilling and marine seismic exploration'' have disrupted migratory patterns and severely impeded reproductive rates of bowhead whales, caribou, native birds, and other species.

In addition to the major environmental impact that would likely affect ANWR should it be opened for oil and gas exploration, the resulting energy supply would do little to address our growing energy needs. Indeed, ANWR represents only five percent of Alaska's North Slope the remaining ninety-five percent of the North Slope is currently open to oil and gas exploration and production. According to a 1998 U.S. Geological Survey study, the total amount of oil that could be harvested from ANWR would roughly equal the amount of oil consumed by Americans in a 6-month period. Finally, this relatively small supply of oil would do even less to address our immediate energy needs. A 2001 report published by the Congressional Research Service has estimated that American consumers would not begin to benefit from oil recovered from ANWR for at least 10 years.

If we truly want to address the challenge of our country's overwhelming dependence on foreign oil, causing irreparable damage to an area of exquisite beauty in exchange for a small supply of oil and gas is not the manner in which we should proceed. It is my strongly-held belief that we must aggressively pursue sources of renewable energy, as well as turn our focus away from increased production, and toward greater conservation.

Mr. President, attempts to open ANWR to oil and gas exploration are reckless and shortsighted. I urge my colleagues to honor President Theodore Roosevelt's vision by joining me in supporting Senator BOXER's amendment to preserve the integrity and beauty of ANWR.

Mr. LEAHY. Mr. President, the Senate soon will have the opportunity to support an amendment to remove the proposal to increase oil and gas exploration in the Arctic National Wildlife Refuge from the budget reconciliation bill. By tucking away this proposal into the energy section of the reconciliation bill, proponents of this provision would smother the open debate the American public deserves on such a significant and contentious national issue.

Just last Friday, on March 14, we celebrated the 100th anniversary of the creation of the Nation's first Federal bird reserve on Pelican Island, the predecessor of today's refuge system. Today we are debating whether to allow further drilling in the fragile arctic environment, for reasons that do not add up to justify such a step.

Consider how far we have come since President Theodore Roosevelt had the vision to set aside the 5-acre Pelican Island—a small thicket of mangroves off the east coast of Florida—to a system that today totals more than 95 million acres consisting of 540 national wildlife refuges, thousands of small wetlands, and other special management areas. The National Wildlife Refuge System hosts 35,000,000 visitors annually, with the help of 30,000 volunteers. It is home to wildlife of almost every variety in every State of the Union, and some part or parts of the system are within an hour's drive of almost every major city. It would be unwise to sanction the degradation of one of the crown jewels of our refuge system—the Arctic National Wildlife Refuge.

The administration argues that allowing an increase in drilling in the Arctic National Wildlife Refuge would be an integral part of alleviating the Nation's dependence on foreign oil. In reality, drilling in the Arctic Refuge would only provide the equivalent of what the United States consumes in 6 months. Nor would this provision amount to any increase in oil production for at least a decade, or truly enhance our energy security, or lower prices for consumers, or create a significant number of new long-term jobs.

Furthermore, 95 percent of the potential oil reserves of Alaska's North Slope are already designated for potential leasing or open to exploration and drilling. The last 5 percent—the Coastal Plain of the Arctic Refuge—is the only wild stretch of the coast of Alaska's North Slope that remains off limits.

What are the tradeoffs? According to a recent National Academy of Sciences, NAS, report issued just last month, the impacts of current activity already adversely impacted numerous wildlife species in the Arctic Refuge. The NAS documented displacement to the fall migration patterns of bowhead whales due to noise associated from seismic exploration and cited an increased number of predators which adversely affects the reproduction rates in migratory and resident birds, as well as the migration pattern and reproduction rates of one of the greatest caribou herds in North America. The NAS study concluded that expanding oil and gas exploration into the surrounding refuge lands would result in further degradation of soils, vegetation, and aquatic systems in this fragile environment.

Protecting this refuge is our obligation as stewards of this land. As President Theodore Roosevelt, the creator of the refuge system, said: ''wild beasts and birds are by right not the property merely of the people who are alive today, but the property of unknown generations, whose belongings we have no right to squander.'' Sanctioning these incursions not only would damage the environment today, but it would take away those tangible and inherent values the refuge will provide to future generations—our children and grandchildren.

Last Thursday, March 13, the Senate unanimously approved a resolution marking the Centennial Anniversary of the National Wildlife Refuge System. This week, we have the opportunity to follow that symbolism with a more tangible step in defense of our refuge system, by voting to remove the rider on ANWR oil and gas exploration from the budget reconciliation bill.

Ms. SNOWE. Mr. President, I rise today to support the Boxer-Chafee amendment that has my cosponsorship along with 14 other colleagues. The amendment strikes the reconciliation instructions to the Committee on Energy and Natural Resources that would open up the Arctic National Wildlife Refuge to oil and gas exploration and drilling.

The issue as to whether to open up a pristine and vital habitat refuge for a finite amount of oil is a fundamental policy question that should not have been injected into the budget process, thereby bypassing the Senate committee process. Including the drilling receipts and reconciliation instructions in the budget is a major policy initiative with serious environmental ramifications.

The budget process, with its strict rules for limited debate, is not conducive to adequate consideration of this issue. In fact, opening up the Arctic Refuge proved to be extremely controversial in the 107th Congress and was debated at length during the Senate's consideration of its omnibus energy bill. On April 18, 2002, by a vote of 54 to 46, the Senate defeated a procedural motion to invoke cloture to shut off the debate.

Revenues from oil leases in the Arctic Refuge have been estimated to be $1.2 billion over 10 years. I believe that the budgetary effects of oil leases in the Refuge are incidental compared with the weight of its policy impact. The tradeoffs just don't balance out when considering drilling for a finite supply of oil in the biological heart of Alaska's coastal plain.

Drilling in the Refuge is not the solution to our Nation's current energy problems, and for years the issue has distracted us from the real answers to energy needs. Unfortunately, over the past several years, rather than being serious about offsetting the nation's increasing thirst for oil by increasing the use of alternate and renewable energy sources, we are now more dependent than ever on these foreign oil sources. If we are to be serious about addressing our energy needs, we should be advancing energy efficiency, energy conservation and clean, renewable sources of power so that we can reduce our need for fossil fuels, which is mainly responsible for air pollution and greenhouse gases impacting climate change.

As the storm clouds gather today in the Middle East, we should be putting our energies into becoming more fuel efficient, for instance, by increasing corporate average fuel economy, or CAFE, standards, to close the SUV loophole that currently allows the increasingly popular sport utility vehicles to get only 20.7 miles per gallon while passenger cars must meet a 27.5 mpg standard. Increasing the SUV standard to that of passenger cars would help to eliminate the need to import oil from the most volatile area of the globe.

In addition, based on the estimate provided by the Department of Energy's Energy Information Administration, it would realistically take seven to 12 years from approval to first production of oil, meaning that not a single drop of oil would be available to go to market for 7 to 12 years. In contrast, Paul Portney, Chairman of the National Academies' 2001 Report on CAFE standards, stated at the Joint Commerce and Energy Committees' hearing that year that ''. . . increases to fuel efficiency could be made in a few years.''

The fact is that, sooner or later, any oil found in ANWR will run out—while increasing CAFE standards will continue to decrease oil usage. It is estimated that one million barrels of oil per day would be saved by the Feinstein-Snowe bill that closes the SUV loophole. Improving the gasoline mileage of the Nation's new vehicles by just three miles per gallon could take less time and could be expected to save more oil than would ultimately be recovered over the lifetime of the finite oil resources in ANWR. The United States Geological Service estimates a 95 percent probability of 4.2 billion barrels of recoverable oil, and a five percent probability of 11.8 billion barrels of recoverable oil.

Interestingly, CAFE increases would keep more greenhouse gases, specifically carbon dioxide—the major cause of climate change—from going into the atmosphere because less gasoline would be used and therefore there would be less vehicle emissions of CO2. In contrast, the process of getting oil out of ANWR will add more greenhouse gases and air pollution because of the oil drilling facilities and processes required for extraction.

Drilling in the Arctic Refuge poses environmental risks by impacting sensitive wildlife habitats. The Refuge is the summer home for thousands of migratory birds; year-round home to muskoxen, fox, wolf and wolverine; and its lagoons support eight species of marine mammals, 62 species of coastal fish, and seven species of freshwater fish. Of note, the Refuge is the calving ground of the Porcupine caribou herd. Much has been said on the Senate floor about the Central Arctic caribou herds in the North Slope drilling area that have greatly increased since the North Slope pipeline was installed, but these caribou have the ability to move south, unlike the Porcupine caribou herd within the Arctic National Wildlife Refuge that have no place to go due to the geological features of the narrow strip of an island-like area in the refuge between the ocean and the mountains.

Again, I would like to reiterate that including drilling receipts and reconciliation instructions in the budget is not the right way to go as it is a major policy initiative with serious environmental ramifications that must be debated fully in the proper forum of committee hearings and subsequent floor and public debates. Consider the National Research Council's recently published report on the effects of drilling in the North Slope of Alaska. It stated that, even though oil companies have greatly improved practices in the Arctic, three decades of drilling along Alaska's North Slope have produced a steady accumulation of harmful environmental and social effects that will probably grow as exploration expands.

Some of the problems, the report said, could last for centuries, both because environmental damage does not heal easily in the area's harsh climate and because it is uneconomical to remove structures or restore damaged areas once drilling is over. I urge my colleagues to vote to strike the language from the budget resolution so that drilling in the Arctic National Wildlife Refuge does not begin.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Mr. President, I ask we take 10 minutes off our side of the resolution.

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

Mrs. BOXER. Mr. President I will speak a couple of minutes about the general budget, and then turn to the ANWR Alaska refuge amendment that is pending that I hope will prevail in a vote in a few years.

I ask unanimous consent Senators CORZINE and CLINTON be added as cosponsors to my ANWR amendment.

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

Mrs. BOXER. Mr. President, I will talk about this budget overall because I listened to my colleague talk about it in a way that, frankly, is stunning because I remember when Republicans wanted a constitutional amendment to balance the budget. Now they are embracing a budget that has deficits as far as the eye can see. If you like deficits as far as the eye can see, you will love this budget and you should vote for it because that is what you are getting.

Mr. SUNUNU. Mr. President, will the Senator yield for a question?

Mrs. BOXER. I will after I am finished, as I listened to my friend talk for quite a few moments.

If you embrace the idea that deficits are a good thing for the country, red ink is a good thing for this country, you will love this budget; go ahead and vote for it and that is fine and we will talk about it when we go home.

If you like the idea that we should ignore an enormous cost that is staring us in the face as our beautiful men and women are standing on the brink of war, if you think this budget should ignore those costs, then you should vote for this budget because this is an Alice-in-Wonderland-type of budget.

The whole country is focused on what is about to happen—but not in this budget. I have seen comments made by friends of mine from the other body on the other side of the aisle that said hurry up and get this through before we have to deal with the costs of the war.

When I hear Senator FRIST say let's push this through fast, that, in my opinion, ties the knot here. The other side wants to get this done very quickly even though it has no costs for the war. The first person who said the war will cost between $100 billion and $200 billion was Larry Lindsey, and as we know, he was shown the door.

Vote for this budget if you think we should ignore the costs of the war. Vote for this budget if you love deficits. If you like breaking promises to our children on No Child Left Behind, cutting afterschool programs and the like, vote for this budget because that is what you are doing.

The President posed for pictures with Senator KENNEDY and Congressman MILLER—No Child Left Behind—and then he fails to fund it.

He is going to kick 50,000 California kids out of afterschool programs, unless we fix it. All through the country, he is going to kick 500,000 to 700,000 kids out of afterschool programs, including kids in New Hampshire and all over our great Nation.

Our kids deserve more than that. If you like the fact that No Child Left Behind is not funded fully, vote for the budget. If you want to cut environmental enforcement, vote for the budget. If you want to fund the highways and transit at a lower level than what we need, vote for the budget.

Especially vote for the budget if you want to give tax breaks to people who earn more than $1 million a year because they will get back $87,000 a year. Definitely vote for this budget if your heart bleeds for those folks who make more than $1 million a year because that is the centerpiece of this budget.

I hope we can change it. We are going to try to change it. We have a few brave souls on the other side of the aisle who agree with us. I don't know how it will turn out. But when I hear people talk about why our country is in so much economic trouble, it started 2 years ago. We lost 2 million jobs because we abandoned fiscal responsibility, we abandoned investment in job-producing investments, we abandoned the principles that led us to the greatest economic recovery in generations. But if you don't want to go back to those good days and stick with these bad days, vote for this budget.

On my time that is remaining, I want to say how excited I am that we actually may pass the Alaska wildlife amendment.

What we have here on this chart is a very simple visual of what we will save from various scenarios on imported oil. I had, yesterday, the percentages.

We see that while ANWR would reduce our reliance on imported oil by 2 percent, if we just did better tires on our cars, which would lead to better fuel economy, we could save 4.3 percent of imported oil. If we closed the SUV loophole and just had the SUVs get the same mileage as cars, we would save 16 percent on the amount of oil we have to import. If we increased our fuel economy by 13—to 35 miles per gallon—which the automobile people say is absolutely possible; we would reduce our dependence on foreign oil by 43 percent.

The alternative is this reduction of dependence on foreign oil by 2 percent. By the way, this wouldn't happen for 8 or 10 years. For everybody who says it is going to happen sooner, that is not what the proof is. The science tells us it will take 8 to 10 years to get it up and running.

This is the alternative, drilling in this God-given area.

I will give the remainder of my time to Senator CONRAD. We are talking about a place that looks like this. Yes, in the winter it is icy. Yes, in the winter there is not much—it doesn't look as beautiful as this, but I don't look as good as I looked when I was young, so that happens sometimes. But the bottom line is, it is a beautiful place.

Here are some other beautiful pictures. We will show you some of the wildlife that we have, this beautiful bird which is the whimbrel—quite beautiful. It is my chart bird, I call it. That is a beautiful example of what we are trying to save.

I will yield the remainder of my time on the resolution to Senator CONRAD and hope my colleagues on both sides will support the amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I am wondering, I ask my colleague and friend from California who showed those pictures of a beautiful area adjacent to the Brookes Range—I have been there—I wonder, Has the Senator from California visited the 1002 area, the ANWR area?

Mrs. BOXER. I have been to Alaska and I am going back. I haven't been to the 1002 area, but my chief environmental legislative aide took my place on a trip that, unfortunately, I had to cancel 6 months ago, and just said it was absolutely exquisite.

As my friend knows, we have hundreds of wildlife refuges. I have been to a few. I haven't been to them all. But this is God's gift and whether—

Mr. NICKLES. The answer to the question is you have not been there?

Mrs. BOXER. Yes, I stated that clearly in the debate. The last time I was asked this question, people said these photos were——

Mr. NICKLES. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. NICKLES. I would like to make a couple of comments. I am going to speak about ANWR momentarily. My friend and colleague from New Mexico, who happens to be chairman of the Energy Committee, wants to speak. But many of us have been to ANWR. The picture the Senator from California shows, the beautiful part, is of Alaska adjacent to the Brookes Range. It is gorgeous. That is not where we are drilling, or proposing to drill.

I will say, there are a couple of people who have been there more than the Senator from Oklahoma and that would be Senator MURKOWSKI and Senator STEVENS. They have been there many times. They know what the 1002 area is. They know the area we are talking about drilling. It is not the beautiful pictures we see that some people are advertising. People are not proposing to drill in those areas.

The area they are proposing to drill on is not nearly as pretty. It is very barren. It looks somewhat like a frozen moonscape area, or frozen Saharan desert, or something like that.

My point is, I see the picture of the caribou. I have seen them. I have been to Prudhoe Bay as well. I have seen a lot of caribou. The caribou happen to like the Prudhoe Bay area and the Alaska oil pipeline. There are a lot of caribou in that area.

I think there is a tradition in the Senate that is being violated and that is that we respect home State Senators, when we are talking about parks or refuges in their States. We usually assume they know best.

I heard Senator MURKOWSKI give an outstanding speech last night that talked about her State and talked about how important this is to her State and our country.

I heard Senator STEVENS, with whom I have had the pleasure of working with for the last 23 years and for whom I have great respect, and he knows this better than anybody. He used to be Solicitor at the Department of the Interior. He goes way back on this issue. He knows more about Alaska than the rest of the Senate combined.

To ignore his comments, or those of the Senator, Ms. MURKOWSKI—or Governor Murkowski—on this issue I think is a serious mistake, especially if people haven't been there. I encourage my colleagues, if they have questions about this area, to go visit it. I think it would be very educational. I think it would be very helpful, especially if we are going to try to dictate exploration in an area smaller than a couple of thousand acres, smaller than Dulles Airport. If we are going to try to mandate they cannot forever drill in those areas, I think we ought to at least go there and visit the area and know, really, what it looks like. If we have not been, I think we ought to defer to the home State Senators for their expertise and advice.

I yield to the chairman of the Energy Committee, Senator DOMENICI, such time as he desires on the amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. REID. Will the Senator from New Mexico yield just for a question?

Mr. DOMENICI. Which Senator is going to ask a question?

Mr. REID. The Senator from Nevada.

Mr. DOMENICI. Of course.

Mr. REID. Last night the Senator from New Mexico said he wanted to speak for approximately an hour? How long, just so we can get people ready here.

Mr. DOMENICI. The Senator knows I don't have a notebook full here. I wanted to make sure. One thing I learned, as a Senator, from Senator BYRD is if you want to make a speech, don't agree to the shortest amount of time because, sure enough, you never get what you wanted to say said. I said an hour. I probably will use an hour.

Mr. REID. Thank you very much.

Mr. DOMENICI. I thank the distinguished minority floor leader.

Mr. President, fellow Senators, and more importantly, fellow Americans who might be watching, I am going to have one of my aides turn this chart for a moment. You are going to be able to read the print very easily. It says:

If ANWR was the size of this chart, the total footprint of any development there would be smaller than the box below.

You see the people running the television here in the Senate have to be very careful because if they are not, you will not even see it. ANWR is as big as this chart. We have done it to scale, all of that blue.

Now, regardless of what is said about what you are going to do to ANWR, let me submit to you that you are going to do it on this little piece, I say to the chairman. Look at this. Can you see it? Maybe I can show the chairman of the Budget Committee. Do you see that little piece there? I don't think you can even see it, that little piece. That is where ANWR is going to have a footprint to produce oil for America.

Can you imagine we are here arguing about whether or not we ought to take this tiny little piece? Here it is. Let me show it to you again. Do you see this, Mr. Chairman? I don't think you can see it from there. That is the size of the footprint. And the whole chart is the size of ANWR.

Now, I can guarantee you, the thousands of Americans who have been writing to their Senators and who joined the Sierra Club to say don't do anything in ANWR have no understanding, have never been told—as a matter of fact, have been told to the contrary—that of this huge wilderness, that is the amount of the footprint which will yield oil for America's future.

I ask the Presiding Officer, are you looking at this chart?

The PRESIDING OFFICER. Yes.

Mr. DOMENICI. Do you need any assistance to see it?

The PRESIDING OFFICER. I can see it from here.

Mr. DOMENICI. You don't have to answer. As a matter of fact, I am very hopeful that everybody can see it, because you saw beautiful polar bears, you saw fantastic growth everybody is proud of. But can anyone believe that little, tiny footprint is going to affect polar bears in the ANWR wilderness? Can you believe that much property, used to drill oil for America's future, is going to have an impact on America's economic future?

I submit, if the issue had not already been framed, and if, as a matter of fact, Senators had not already been convinced, if they truly started right here on the floor—let's discuss America; let's discuss the amount of oil we have to use each day; let's discuss our future; and now let's take a look at ANWR. If we had not received messages in the mail, if we had not received requests for contributions from those who support keeping ANWR exactly like it is, and not letting us have any of the resources that belong to America—if none of that occurred, we were here in a closed session, all 100 Senators, and those who wanted to say ''no drilling'' got a day, and I got an hour, they could talk all they wanted, and I would put this chart up and say, ''Are you kidding? You don't even want America to take a look at that?''

Now, having said that, it has been said on a number of occasions on the floor there isn't enough oil in ANWR to amount to anything. A few years ago, when I was sitting around and heard somebody say, ''America doesn't need this oil,'' I said to myself, ''Who are we kidding? How arrogant about our future are we? We don't need the oil that could be produced from Alaska because it isn't very much oil?''

Well, I started, over the weekend, asking, How much oil is it? How much oil is it in a way that maybe Americans would understand? And I decided we could take a little trip. We could take a trip through America and look at where we are producing oil today, and as we came upon a State that was producing oil, we would decide whether we needed that oil. After all, we are so strong and so arrogant about our economic future that there is a lot of oil America might have we must not need.

Guess what happened. The very first State I came upon was Texas. Texas. As I rode across America and stopped in various States, I stopped in Texas. And what did I find? I went to their Department of Minerals and Resources, and I looked, and I said: Could you help me? I am trying to find out where oil is produced in America and whether we need it or not. And what in the world did I find? ANWR has more oil than Texas. So I surmise we do not need the oil from Texas either. I surmise Texas oil does not amount to that much, because, after all, for comparison purposes, the total reserves in the State of Texas are 5.2 billion barrels. That is data for the year 2000. Let's repeat that. The reserves in the State of Texas for the year 2000 are 5.2 billion barrels.

According to the Energy Information Administration, upon which we as policymakers are basing our decisions, ANWR's oil reserves would range from a low—a low—of 5.7 billion barrels to a high of 16 billion barrels.

Let's repeat it. The reserves in the State of Texas, because that is where I started that sojourn—I would have ended up, had I not found that out in Texas—we did not have to go any further—I would have gone over to New Mexico and found their reserves, and then I would have gone to Oklahoma. But just stopping at Texas, you find the reserves in the State of Texas are estimated to be 5.2 billion barrels. And according to the experts advising the policymakers, the present Congress, and people of America, the reserves for ANWR—from that little, tiny dot—are 5.7 billion barrels for the low estimate, and 16 billion barrels for the high estimate.

I see the distinguished Senator from Alaska in the Chamber. That means, I say to the Senator, if I read it right, that the reserves in your State, just in ANWR, if one uses the most conservative estimates, are equivalent to or more than the State of Texas. And if you use just a middle point, a 50-percent expectancy in terms of reserve estimates, I imagine if you do that, the yield is twice the State of Texas. Twice the State of Texas. If you like this Senator's estimate, it will be twice the State of Texas, it will not be the 5.2 billion barrels because that is the lowest estimate.

Now, I would like, once and for all, whatever has been said in this Senate—with the charts up there about us not needing this, that it is only a speck of the world's production of oil—I would like to submit, we need the production from the State of Texas, and we need an equivalent to the production from the State of Texas which would come from ANWR. America, as rich as we are, as powerful as we are, as willing as we are to say, ''We just don't need this. We will buy it from the world. We just don't need American oil. We don't even need as much as Texas produces''—right—''Just forget about it; we will buy it''—we will buy it, all right. And then, as war looms, the case for Arctic oil gets better and better and better.

As we look at America's future, we hear people get on the floor and say: Don't worry about producing more oil; we will just conserve more. Well, we will have an Energy bill here on the floor about when we come back from the April recess. I welcome Senators to come to the floor and tell us how in the world in the future we are not going to have to continue to import huge quantities of oil.

Now, somebody can get up and say: We only want half the automobiles we are driving today 4 years from now and 5 years from now. That is ridiculous. Or: We are going to use hydrogen cars. Of course, we are going to use a few of them each year, and in 20 years we are going to use a bunch of them. What do we do in the meantime?

They will say: Let's use electric cars. We will use them, but how many? Everybody understands the oil consumption is not going to come down dramatically during the next decade to 20 years. And what are we going to be doing? We are going to be depending upon the world for that period of time, and well beyond that, to buy it from the world.

It seems to me that a secondary issue—maybe a primary issue—we are debating in the Senate is jobs for Americans. I regret to tell you that for those who oppose that little tiny piece of this budget resolution called ANWR, they are opposing the biggest job producer this whole bill has in mind. I am more certain that if ANWR is permitted to be developed, when the time comes that it is producing, it will produce more jobs for America than this bill with all its tax provisions and

at the same time will produce oil for Americans. This is the estimate given by the experts of the American jobs, high-paying jobs. We are not even including in this the fact that American companies will own it. Americans will be part of the rig operators. Americans will be producing the pipelines.

Here is the estimate of employment that would flow from ANWR. You could vote against all the tax relief if ANWR was coming on board next month. That can't happen because it is a few years away. Here are the jobs: 575,000 full-blown American jobs for American men and women and American executives, and they have to be high paying. For any State that would like to look: for Colorado, there is estimated employment of 8,000; New Jersey, 17,000; California, 63,000 jobs if ANWR comes on. I suppose in the course of things, 63,000 jobs doesn't mean that much for a big State such as California.

Incidentally, if I would have followed that little trip through America to see where the oil was produced and I would have passed right on by Texas, and passed right on by New Mexico, and passed right on by Arizona and a little pinch of Nevada, and ended up in California, and gone to their mineral extraction department and said, how much oil do you produce? guess what I would have found. I would have found that the production in California of crude oil for America is about equivalent to what will be produced from ANWR when it is producing oil for Americans. Think of that.

People look at California and say: Boy, if we didn't have that production from California, where would we be? Isn't that interesting? If we had ANWR on board and producing and we took our little trip through America and ended up in Alaska and somebody would have said to us, well, that is producing about the same as Texas and California, let's just not produce it anymore, what do you think would happen? Do you think anybody would vote for that? I mean, it would be such a ridiculous proposition that we don't need it, even though it is about the equivalent of California and about the same as Texas, that clearly this issue to this Senator reaches the point where you can hardly understand what we are doing on the floor of the Senate with as close a vote as you can possibly get on this issue.

To the two or three Senators who still might have enough courage, enough concern, enough freedom to say I am going to do what is best, I submit that they ought to vote to keep ANWR, keep that marvelous huge wilderness that President Eisenhower is cited as having been instrumental in creating, keep it, and use this tiny piece here to produce oil for generations to come.

There is an excellent review and outlook in the Wall Street Journal this morning called "Drilling for Votes." That is probably what they assume their editorial is doing, it is drilling for votes. It outlines the issues before us. It is rather succinct. It covers what I have just discussed, the insignificance of the probable damage to ANWR. I have tried to depict it in terms of jobs. It discusses that with words. They are wordsmiths, and they have done it in a very exciting, excellent, and forthright manner. They discuss jobs, which I just did. They also discuss what the distinguished chairman of the Budget Committee discussed for just a few moments as to what is the nature of this tiny piece of geography that is part of ANWR. It is not the beautiful parts of this that have been shown in pictures here on the floor. It is discussed in this editorial in words as to what it is. It says:

> This oil would come from a tiny piece of land that is nowhere near the "pristine" mountains shown in the Sierra Club ads. Exploration would be on Alaska's coastal plain, a sliver of tundra that [the Secretary of the Interior] has described aptly as "flat, white nothingness."

The editorial continues:

> Far from pristine, it is the home of the town of Kaktovik, with its people, cars, boats and airplane hangars. The actual drilling footprint would be about 2,000 acres, the size of Washington's Dulles Airport.

I ask unanimous consent that the entirety of this editorial be printed in the RECORD.

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

[From the Wall Street Journal, Mar. 19, 2003]

DRILLING FOR VOTES

If war in Iraq, sky-high oil prices and a moribund energy bill aren't reason enough for the Senate to finally approve drilling in the Arctic, could someone please tell us what is?

The Arctic National Wildlife Refuge is back in the headlines, and the good news is that Senate Republicans are very close to passing a drilling amendment. By attaching ANWR to the Senate budget resolution, they need only 51 votes and can avoid the filibuster threats (and Presidential aspirations) of certain opposition Senators from the Northeast.

The arguments for Arctic drilling haven't changed, but it's worth running through them again. The biggest is the ANWR is a new and important supply of oil. The site is expected to produce 10.4 billion barrels, or 1.4 million barrels a day—the largest single prospect for future oil production in the country. To put this in perspective, the oil-rich states of Texas and California each offer about one million barrels a day. No, ANWR won't provide "energy independence," but it will give a cushion in the event of future oil-supply crises.

This oil would come from a tiny piece of land that is nowhere near the "pristine" mountains shown in those Sierra Club ads. Exploration would be on Alaska's coastal plain, a sliver of tundra that Interior Secretary Gale Norton has aptly described as "flat, white nothingness." Far from pristine, it is home to the town of Kaktovik, with its people, cars, boats and airplane hangars. The actual drilling footprint would be about 2,000 acres, the size of Washington's Dulles Airport.

As for the environmental consequences, we'd point to the recent National Academy of Sciences report on the cumulative effects of drilling in the nearby North Slope. Green groups have spun the report as evidence of eco-calamity, but anyone who reads it knows it shows more or less the opposite.

The report, for instance, found that there had been no major oil spills on the North Slope through operation of oil fields, and that small spills had had no cumulative effects. While some animals had been "affected," the committee could not list any species that were threatened. And it conceded that drilling hadn't led to any large or long-term declines in the much-celebrated caribou herd.

It also noted that new technology had reduced damage to the tundra. Given the report was measuring the effects of 25-year old equipment, and that a Senate bill would require best-technology, we can expect even better results. And the report acknowledged that oil development had resulted in real improvements in schools, health care, housing and other community services for Alaskan communities.

As good as these policy arguments are, the reality is that drilling ultimately hinges on the environmental politics of the Senate. Republicans have 48 sure votes. They need two more, because Vice President Dick Cheney is standing by at his secure, undisclosed location to break a tie. Most of the focus is therefore on a few moderates, Arkansas Democrats Mark Pryor and Blanche Lincoln, and Republicans Gordon Smith and Norm Coleman.

If it's political cover these folks are looking for, they might consider the environmental advantages that would accrue to their home states with a yes vote. For starters, the ANWR plan would divert $2 billion of the $2.15 billion in federal royalties from drilling directly to the states for land and water conservation. A gusher of new oil in Alaska would also reduce the incentive to keep drilling in the lower 48, which has its own environmental costs.

And if these "moderates" are truly on the fence, they could give the Administration the benefit of the doubt, vote to keep ANWR in the Senate budget resolution for now and then fly to Alaska to see the site for themselves. At least if they changed their mind in the final budget later in the year, they'd really know what they were voting against.

We know it is perhaps a forlorn hope that Senators will vote on substance over environmental symbolism. But why not? On the economic and environmental merits, this isn't even a close call.

Mr. DOMENICI. One remaining issue is: How do you drill for oil today, and how did you drill for it 25 years ago or even 30 years ago, when some of the wells were drilled in California—maybe hundreds of the wells were drilled in California and hundreds, maybe thousands of the wells in Texas were drilled? Has America made any strides in changing the way we drill for oil in 15, 20, 25 years?

I can tell you, some of the most dynamic, intelligent engineers in the world have spent years finding out how to drill holes in Mother Earth. As a matter of fact, the expertise in drilling did not just come over these years from people interested in drilling for oil wells. We have had an interest in drilling for many reasons.

Would you believe that the great laboratories of America—Los Alamos, Sandia, Livermore—have had a genuine, abiding piece of their research directed at, how do you drill holes into Mother Earth?

One time, they were experimenting in one of the laboratories in drilling

thousands of feet underground to see if they could tap into the geothermal heat pockets. They learned all kinds of things about drilling. Then they had to drill holes as part of the nuclear weapons activities in the deserts of Nevada. Millions of dollars were put into, how do you do it so you don't waste time, so you don't produce a whole bunch of environmental degradation? Couple that with the resources of the energy companies, which wasn't soft; it was pretty big. It was pretty hot stuff. You put it together, and you have the most profound, innovative ways to drill for oil you could ever imagine.

Let me just suggest, if oil is about 400 yards over there and you found it—about four football fields away—and you don't want to touch that ground, you can start here, where I am standing, and you can drill over there in what is called slant drilling. It is done with such precision today that it can take place for yards and yards and yards from the actual point under the earth where you attempt to strike the liquid mineral, or the natural gas. That is what will be used if you are worried about how will you use this tiny piece, the size of Dulles, to go into the hinterland without touching anything.

That is the answer. You will go in when it is frozen, you will do your drilling activity, and when it starts to thaw, you get out and wait until it freezes again, you come back and, frankly, you won't know anything has happened—except that underground you will be moving ahead full speed to make America have more of the oil that is ours, that we own, that we will use for our future.

I have a little picture up here from Science Times. It was covered in the Times. It is called ''Hunting For Oil: New Precision, Less Pollution.''

I am sure those who have circulated millions and millions of letters and the hundreds of TV ads saying we are going to ruin ANWR—if we take a tiny piece of that property, the size of Dulles, which I have just shown you on the map, and we drill, they are assuming you are going to spoil the earth as you do when you are producing with the conventional drilling of wells.

This is a pictorial of the chronology and the evolution of how you go about drilling today.

Using the latest drilling techniques, oil drilling sites like those in the Alpine Fields of Alaska's North Slope are using cutting edge technology in the hope of reducing environmental damage.

To reduce the damage, recent advances are lessening the industrial impact on the fragile Arctic ecosystem.

They proceed to show you an Alpine Field, Alaska. They show you what is happening. Let me move over here because I described it in not too good a manner a while ago when I said the oil was 400 yards away, four football fields. You could drill from here.

Let's look at this diagram. You see, here is the platform that might be the size of Dulles. Here is the drilling. Here is the oil underground. And you see, way far away, the oil is underground, and it is going to be drilled and come up, and everything is going to be done on this platform. The same here. Here is a giant reservoir underground. It is many yards from where you have set out to manage and control the destiny of the tundra. There you are with this dramatic picture of how, just like a curved straw, you put it underground and maneuver it, and the ''milk shake'' is way over there, and your little child wants the milk shake, and they sit over here in their bedroom where they are feeling ill, and they just gobble it up from way down in the kitchen, where you don't even have to move the Mix Master that made the ice cream for them. You don't have to take it up to the bedroom. This describes the actual drilling that is taking place.

I told you a while ago that I was going to give you just a shirt-sleeve example, where four football fields over there is where you thought the oil was. I used an example that is way too small. As a matter of fact, 4 miles—not 400 yards, but 4 miles—away is this oil from this drill. It is not yards, not football fields, but miles. How many? Four. Now, you tell me that those who are telling America this will damage this tundra, damage this wilderness, are scurrying to the American people and telling them: Did you know you can set a piece of that aside and 4 miles away you can take oil out of the ground? Pretty fantastic.

As a matter of fact, I am using 4, because my staff told me 4. They have evidence from the science that it is 4. I don't see any reason it could not be more than 4. I don't see why it cannot be 6. In fact, if people want to know, we could go ask the experts how far away it can be. It can be plenty far away.

So no hard feelings. Everybody makes their case. I have been here a long time. I try to make mine. But I guarantee you, this one has me worried. If the Senate cannot say, 1, we need oil; 2, we need American oil; 3, if we have got American oil and we can take it out of the ground, we ought to properly assess the risk, we ought not to just say no. We just established we need it. It should be American, if possible. So, third, we ought to properly assess the risk.

The risk is not properly assessed by saying it is under ANWR, therefore no oil. That is not a risk assessment. That is an arbitrary decision—that in one swath negates the first two propositions of significance and reality. We need oil, and we need American oil.

It is too bad that we do hear in America—and people are fair minded—we should not be using so much oil. I hear that. I am prepared to confront that on the floor of the Senate because, when the energy bill comes up, some people are going to say we are not a very good country because, after all, we use a third of the energy of the world. Who do we think we are? Do you know what I say? I say we need it for our standard of living, but we don't deny it to the other people in the world. We will help them produce more. We will help them produce clean electricity so they can grow. But I am not prepared to say, since we need it for our standard of living—just because we use a disproportionate amount—abandon the oil in Alaska. What does that have to do with it? What does that have to do with whether we are using oil?

Mr. President, the other thing I think Senators and the people of this country ought to look at is, what is oil? It is easy to say we don't need oil, why should we buy so much oil? But oil is our everyday life.

Fellow Americans, do you want to live without cars? Sure, you do. Can you? No, you cannot. I will repeat, would you like to live without cars? Most Americans would say, of course, I love cars, I like them. If you want to say I wish I didn't, I wish I didn't have a car, I ask you, how would you make a living?

Equally important, where would you live? There are two freedoms that are not covered anywhere in the sacred documents of our country that have evolved, and they are about as American as the proverbial apple pie. They are: The freedom to own a house anywhere one can afford it; the yearning to have a house that is your own. We are not going to change that until America is no longer America. The second freedom is to own an automobile or two so you can go where you want when you want.

I respect the fact that Americans say: This is our life. But I regret to tell my fellow Americans, without oil or if oil becomes so ungodly high priced, both of those freedoms will be in jeopardy. There is no question, both of those freedoms will be in jeopardy because we have built our life around those freedoms being reasonably priced. If we make them unreasonably priced and create anger among the American people, and if, in fact, part of the reason the oil is so highly priced is because you did not want to use your own oil because you did not want to touch that little piece of property in ANWR, I surmise people will not think you have a very good excuse. I for one would say you do not have any excuse at all.

I want to recap—and I apologize to the Senate if I have spoken too long and if I have made any misstatements. I do not think I have, but if I have, I will try to correct them.

In summary, it is almost impossible to prove that ANWR will be damaged to any noticeable degree if we produce the oil that is under the footprint the U.S. Government would like to lease so we can determine whether oil is there and how much. It is almost impossible to prove damage.

I am prepared, although this debate will not go on much longer, to take any instrument, any study, any report anybody wants to bring to the floor to

the contrary and debate it. If they want to use the Academy of Sciences study that has just reviewed the Prudhoe area, let's debate it. One may find a few sentences in there that are cautionary, but they will find tremendous amounts of information saying those who claim Prudhoe Bay has been significantly damaging are in error, and it produced that other part, Prudhoe, which passed this Senate by one vote and has produced oil for America without which we would really be in trouble. We can debate that issue.

This is so small in comparison to the size of this wilderness, an area in the wilderness for which we are very grateful to whomever structures the underground oil reserves that they put it in this part of ANWR such that the drilling will occur in the area as I have described it: not mountainous and beautiful and full of flowers, but level and barren and frozen in a gigantic piece that looks like part of New Mexico that turned white and froze.

The next is we are not strong enough to throw away this much of our own patrimony. I do not know where I got the word except it is so important to own your own resources that in Spanish-speaking countries, such as Mexico, they call the oil of Mexico ''El patrimonio del estado de Mexico,'' the patrimony of the state. That is how important oil is. This is our patrimony. It belongs to us. For those who say we should not drill in ANWR because somebody went there and said, We just should not touch this wilderness, to me is absolutely ignoring the reality of America's future.

Every other issue I can think of—new technology which will cause a minimalization of environmental degradation, jobs in the future, and every other issue one can think of—is on the side of the last two or three votes deciding to get this done, not for me, but I have nine grandchildren. I hope they can still drive a car and own a house wherever they would like and work hard and give us ample time to make the transition toward other technologies that will make our lives like they are today rather than lock this up for no good reason.

I close by saying the patrimony of Americans.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mrs. BOXER. Mr. President, I ask to take 5 minutes off the resolution to respond to the Senator from New Mexico. I believe I might pause here for a unanimous consent request. Mr. President, I ask Senator NICKLES, is that correct? Does the Senator wish that I wait while he propounds a unanimous consent request?

Mr. NICKLES. If the Senator will.

Mrs. BOXER. As long as it does not come off my time. I would like to reserve the 5 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I am going to propound a couple unanimous consent requests. I appreciate the cooperation of my colleague.

It is our intention to have a vote on the ANWR amendment at 3 o'clock today. I know there are still some Senators, including Senator MURKOWSKI and Senator STEVENS, who wish to speak on the ANWR amendment, and we will accommodate their request. Also, Senator GRAHAM from South Carolina has an amendment. It would be my intention to send it to the desk so that discussion and debate can occur on that amendment as well. We will not lock in a time for a vote on that amendment, but we may vote on that shortly after the ANWR amendment.

We are also shopping, for the information of our colleagues, for a couple other major amendments. It was my intention, and it is still my intention, to have a vote on the 350 amendment, the size of the growth package, today. I would think that is a major amendment and will require some significant debate. That possibly could happen shortly after the ANWR vote or maybe early afternoon, maybe by 4 or 5 o'clock and have some of that debate between now and that point on the 350 amendment. That amendment is not ready right now.

Mr. President, I ask unanimous consent that the vote in relation to the Boxer amendment No. 272 occur at 3 o'clock today, with no amendments in order to the language to be stricken prior to that vote.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, just so everyone within the sound of my voice understands, we tried to have the vote earlier than 3 o'clock. The Vice President is going to be here for one reason, and I think that is a powerful reason we are going to have the vote at 3 o'clock. I have no objection to the vote at 3 o'clock.

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

Mr. REID. Mr. President, if I may, while the manager of the bill is on the floor, I hope this sense of the Senate—I am happy it is their turn to offer an amendment, and we have no control over what they offer. But I hope, Mr. President, that we will not spend a lot of time on this sense-of-the-Senate amendment and that we can get to another amendment before 3 o'clock. I hope the manager will work with us so we can have Senator GRAHAM debate this amendment as long as he thinks appropriate. We will respond, if necessary. I think this will pass overwhelmingly, with the little knowledge I have of it, and I hope we can get to other amendments.

I say to my friend, we are ready to move forward on a homeland security amendment. We are ready, as we speak, to move forward on an education amendment. We hope we can get to those amendments before too long, recognizing that my friend, the manager of the bill, wants a vote on the best kept secret around here, the $350 million amendment which we will vote on sometime.

Mr. NICKLES. I thank my friend and colleague from Nevada. I have been working with Senator CONRAD, and it is a pleasure to work both with the Senator from Nevada and the Senator from North Dakota. It is my hope and desire to consider a lot of amendments, the serious amendments, the big amendments. I encourage people to give us copies. I have heard there is a desire to have a vote on the Hagel amendment. I have seen some language, but I am not sure which language.

That is maybe changing the Budget Act. So we kind of need to see that in advance. If people will give us these amendments, on both sides, we can try to get these in queue so we can have adequate but not extended debate, so we are not just burning time.

We know there is a limitation on debate. In years past, we have burnt all the time and then we have a very unpleasant vote-arama. I want to avoid that. I know the Senator from North Dakota wants to avoid that. We will cooperate with the managers to try to make that happen.

Mr. REID. Mr. President, I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The Senator from California.

Mrs. BOXER. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state her inquiry.

Mrs. BOXER. I want to make sure I have my 5 minutes to respond to the hour-long speech of the Senator from New Mexico.

The PRESIDING OFFICER. That unanimous consent request was granted.

AMENDMENT NO. 279

Mr. NICKLES. Mr. President, I send a sense-of-the-Senate resolution offered by the Senator from South Carolina to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for Mr. GRAHAM of South Carolina, proposes an amendment numbered 279.

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

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

The amendment is as follows:

(Purpose: To express the sense of the Senate regarding the urgent need for legislation to ensure the long term viability of the Social Security program)

On page 79, after line 22, add the following:

SEC. 308. SOCIAL SECURITY RESTRUCTURING.

(a) FINDINGS.—The Senate finds that—

(1) Social Security is the foundation of retirement income for most Americans;

(2) preserving and strengthening the long term viability of Social Security is a vital national priority and is essential for the retirement security of today's working Americans, current and future retirees, and their families;

(3) Social Security faces significant fiscal and demographic pressures;

(4) the nonpartisan Office of the Chief Actuary at the Social Security Administration reports that—

(A) the number of workers paying taxes to support each Social Security beneficiary has dropped from 16.5 in 1950 to 3.3 in 2002;

(B) within a generation there will be only 2 workers to support each retiree, which will substantially increase the financial burden on American workers;

(C) the implementation of a Social Security ''lockbox'' would have no direct effect on the future solvency of Social Security;

(D) without structural reform, the Social Security system, beginning in 2018, will pay out more in benefits than it will collect in taxes;

(E) without structural reform, the Social Security system, by 2042, will be insolvent and unable to pay full benefits on time;

(F) without structural reform, Social Security tax revenue in 2042 will only cover 73 percent of promised benefits, and will decrease to 65 percent by 2077;

(G) without structural reform, payroll taxes will have to be raised 50 percent over the next 75 years to pay full benefits on time, resulting in payroll tax rates of 16.9 percent by 2042 and 18.9 percent by 2077;

(H) without structural reform, Social Security's total cash shortfall over the next 75 years is estimated to be more than $25,000,000,000,000 in constant 2003 dollars;

(I) without structural reform, real rates of return on Social Security contributions will continue to decline dramatically for all workers; and

(J) absent structural reform, spending on Social Security will increase from 4.4 percent of gross domestic product in 2003 to 7.0 percent in 2077; and

(5) the Congressional Budget Office, the General Accounting Office, the Congressional Research Service, the Chairman of the Federal Reserve Board, and the President's Commission to Strengthen Social Security have all warned that failure to enact fiscally responsible Social Security reform quickly will result in 1 or more of the following:

(A) Higher tax rates.

(B) Lower Social Security benefit levels.

(C) Increased Federal debt.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the President and Congress should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system.

Mr. NICKLES. I know I gave that amendment to my colleague from Nevada, but I believe the Senator from South Carolina wanted me to call up the sense-of-the-Senate amendment No. 274.

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 279, WITHDRAWN

Mr. NICKLES. Mr. President, I ask unanimous consent to withdraw amendment No. 279.

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

AMENDMENT NO. 274

Mr. NICKLES. Mr. President, I send amendment No. 274 to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for Mr. GRAHAM of South Carolina, proposes an amendment numbered 274.

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

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

The amendment is as follows:

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(5) the Congressional Budget Office, the General Accounting Office, the Congressional Research Service, the Chairman of the Federal Reserve Board, and the President's Commission to Strengthen Social Security have all warned that failure to enact fiscally responsible Social Security reform quickly will result in 1 or more of the following:

(A) Higher tax rates.

(B) Lower Social Security benefit levels.

(C) Increased Federal debt.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the President and Congress should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system; and

(2) Social Security reform—

(A) must protect current and near retirees from any changes to Social Security benefits;

(B) must preserve Social Security's disability and survivors insurance programs;

(C) must not allow the government to invest directly the Social Security trust funds in the stock market;

(D) must not raise Social Security payroll tax rates;

(E) must reduce the pressure on future taxpayers and on other budgetary priorities;

(F) must provide competitive rates of return on Social Security contributions; and

(G) must prepare and strengthen the safety net for vulnerable populations.

Mr. NICKLES. Mr. President, for the information of my colleagues, we will have a vote on the ANWR resolution at 3. We will have a vote on the Graham of South Carolina sense-of-the-Senate amendment sometime shortly thereafter. It is my hope and desire that we will get another amendment in queue. I would like to see that amendment be the $350 billion limitation on the growth package. If not, we will work with our colleagues to find another substantive amendment to consider and try to get that in as quickly as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I ask unanimous consent that I have 7 minutes following the Senator from California. Is that consistent with the way the manager of the bill has been operating the floor? If not, I will withhold.

Mr. NICKLES. If the Senator will yield, that has been done. It is not the best legislative procedure. I would like to follow a better legislative procedure and not stack. In order to manage the floor, Senators should be recognized at the conclusion of a speech, and if my colleague seeks recognition, I will yield to my colleague as soon as the Senator from California concludes her remarks.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 272

Mrs. BOXER. Mr. President, the Senator from New Mexico spoke with tremendous conviction about why he wants to drill in the Alaska Wildlife Refuge. He said he had no hard feelings for those people who felt differently, but he said a number of things that deserve to be rebutted, and I am going to do that.

I certainly believe that whether one has an area that looks like this—and my colleagues said this is not a photograph of the area that would be drilled, but they are completely incorrect. This has been mapped. We have exactly where this is on the back of the photograph. It is right in the heart of the refuge. We had this picture last year, which then-Senator Frank Murkowski said was not taken in the refuge area. We had the head of Fish and Wildlife in Alaska phone in, irate, and essentially

say, yes, this is exactly where they want to drill, where the caribou are roaming.

So let's get that right. I am not going to stand up in front of pictures that do not apply to make my case. That is ridiculous. I would not do that. That is wrong. It is not a fair way to debate. I want to debate on the merit.

I also have never, ever said in this debate—and I spoke last night, as well as this morning—that people on the other side are doing this because they get campaign contributions from oil and gas companies and other economic interests. I will not do that. I have more respect than that. But, of course, my colleague from New Mexico says the only reason we are fighting for this is that we get contributions from a few environmental organizations. Hogwash. I would like to line up the campaign contributions of the environmental organizations versus the campaign contributions of big oil and gas companies.

Let's just cut it out. The Senate should be above that. I speak from my heart when I say there is an inconsistency with setting aside this beautiful acreage and then saying, oh, well, now we need to drill.

I received a call this morning from former Representative John Seiberling. Last night, his picture was held up by Senator STEVENS. Senator STEVENS said there was a deal cut in 1980 to allow oil drilling. Obviously, I was not in that meeting. The fact is I came to the Congress in 1982, so I missed that by 2 years.

Representative Seiberling phoned us this morning. He was the chairman of the House Subcommittee on Public Lands. He was in that picture, and he said there was no deal to open the Alaska Wildlife Reserve to exploration. So I want to state that for the record, just as last night I talked about the letter from President Jimmy Carter who said he is totally opposed to this drilling, even though he, too, was referred to as being part of this so-called deal.

I also want to show a footprint of the New Jersey Turnpike. Now, my colleagues are going to say: Well, Senator BOXER, what does that have to do with anything? The fact is, this is the same size footprint that the opposition is saying would be the footprint of the oil field that would be allowed in this refuge.

I say to my friends, the way Senator DOMENICI posed it, he had a great big chart and a little dot. Well, what goes on when you drill for oil is not a little dot. That is so obvious; it is kind of silly. If we even take the footprint that they talk about, the 2,000 acres, that is the footprint the size of the New Jersey Turnpike, and I say to anyone who has some common sense, no one would say that what happens on the New Jersey Turnpike does not have an impact on the surrounding community.

I also say to my friend, because he opposes me in a lot of areas—this is my friend from New Mexico. I served on the Budget Committee for years. I have tremendous respect for him, but we disagree. I, with just as much fervor as he, will say to my colleagues today I want them to look at the footprint for offshore oil drilling off the coast of California. It will look really small if the whole coastline is taken into account, but my people in California know it is destructive. How do we know that? We have seen it. We have seen what happens when oil spills. We know that no matter what technology is promised, accidents occur. We have certainly experienced that in Alaska given what has happened in the past from spills, and I put that in the RECORD before.

We know the USGS analysis says that oil in the refuge is scattered in many different areas. It would require multiple fields across the Coastal Plain, 250 miles of roads, 100 miles of pipeline.

The PRESIDING OFFICER (Ms. MURKOWSKI). The time of the Senator has expired.

Mrs. BOXER. Madam President, I ask for 3 additional minutes off the resolution.

The PRESIDING OFFICER. Does the Senator from North Dakota yield 3 minutes?

Mrs. BOXER. I would like 3 additional minutes, if I could, off the resolution, or I could take it off the amendment; it is immaterial.

Mr. CONRAD. We are now in a situation where we have had very extended debate on ANWR. At some point, we have to draw it to a close.

Mrs. BOXER. I will take the time from the amendment.

Mr. CONRAD. That will be fine, if we take it from the amendment.

Mrs. BOXER. That will leave 1 minute, and I will reserve that.

I say to my friend from North Dakota, the Senator from New Mexico had an hour speech and I believe I need to rebut it. We know from USGS we are talking 250 miles of roads, 100 miles of pipeline, airfields, gravel pits, power lines, waste facilities, and other structures. We are talking about this, not coming from the side of those who believe this pristine area ought to be left alone, but from the USGS survey.

John Seiberling says no deal was cut in 1980; Senator STEVENS sees it a different way. People can take away different meanings. But I mention that in the RECORD. When we hear President Carter's name as being part of a deal, and he writes a letter and says he does not want to see drilling here, we ought to set the record straight.

This is a fair debate. But it ought to be based on the facts as the people who were in the room saw it. Senator STEVENS laid out how he felt. John Seiberling phoned and left his phone number. I am sure if Senator STEVENS would like to chat with him, that would be fine with him.

Mr. STEVENS. Who should I call?

Mrs. BOXER. I am happy to answer on your time. May I answer on your time?

Mr. STEVENS. You mentioned my name, thank you very much.

Mrs. BOXER. I am sorry, I have 60 seconds left to rebut an hour-long tirade by someone on the other side who said the reason we are preserving the Arctic is because we received campaign contributions.

I print in the RECORD the facts, a letter from Jimmy Carter who opposes drilling in this area. He talks about it very eloquently.

John Seiberling, then-chairman of the House Subcommittee on Public Lands and National Parks, was in the picture that my friend from Alaska held up last night, and has said absolutely there was no deal cut to drill in this area. It is important we set that record straight.

I correct that. He was not in the picture, but in the meetings that led to the picture. He was the chairman of the House Subcommittee on Public Lands.

Lastly, I ask unanimous consent to have printed in the RECORD a copy of a very important document put together by the Alaska Wilderness League. In it there are comments of the National Research Counsel on the cumulative environmental effects of oil and gas activities on Alaska's North Slope. We keep hearing there is no problem, no problem at all, but there are newspaper reports that say the local people who live up there claim there is a problem with the caribou herds. They are going elsewhere, away from the drilling.

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

COMMENTS ON THE NATIONAL RESEARCH COUNCIL REPORT ON THE CUMULATIVE ENVIRONMENTAL EFFECTS OF OIL AND GAS ACTIVITIES ON ALASKA'S NORTH SLOPE

Overall: The report documents significant environmental and cultural effects that have accumulated as the result of three decades of oil development on Alaska's North Slope. Industrial activity has transformed what once was part of the largest intact wilderness area in the United States into a complex of oilfields and their interconnecting roads and pipelines that stretches over 1,000 square miles. Many important effects on animals and vegetation extend well beyond the actual ''footprint'' of development. New technologies have reduced some effects, but despite this, the committee concluded that expansion into new areas is certain to exacerbate existing effects and generate new ones.

While no economic assessment of the environmental costs of oil development on the North Slope has been done, the report estimates that the costs of removing facilities and restoring habitat will run in the billions of dollars. No money has been set aside for this purpose by either the oil companies or the government. Because natural recovery in the arctic is slow, effects caused by unrestored facilities are likely to persist for centuries.

ANIMALS

Bowhead whale migrations have been displaced by the intense noise of seismic exploration offshore. Spilled oil poses a great potential threat to bowhead whales due to their specific morphological characteristics.

The reproductive success of some bird species in the oilfields has been reduced to the

point where some oil-field populations are likely maintained only by immigration from more productive ''source'' habitats elsewhere. An important consequence of this phenomenon is that loss of such ''source'' habitats can threaten the viability of a population even though most of the habitat occupied by the species in a region remains relatively intact. The location of important source habitat for birds or other species is not well characterized for the North Slope. Thus, the spread of industrial development into new areas could result in unexpected species declines, even though total habitat loss might be modest.

Some denning polar bears have been disturbed by industrial activities. Though limited development offshore has taken place to date, full scale industrial development offshore would displace polar bears and ringed seals from their habitats, increase mortality, and decrease their reproductive success. Predicted climate change is likely to have serious effects on polar bears and ringed seals that will accumulate with those related to oil development.

Caribou

Although industrial development has not resulted in a long-term decline in the Central Arctic Herd (the herd most affected by current oil development), the Committee concluded that by itself is not a sufficient measure of whether adverse effects have occurred. Female caribou exposed to oilfield activity and infrastructure produced fewer calves, and following years when insect harassment was high, that effect increased, which may have depressed herd size. The spread of industrial activity into other areas that caribou use for calving and relief from insects, especially to the east where the coastal plain is narrower than elsewhere, would likely result in reductions in reproductive success.

The Porcupine herd, which calves in the Arctic National Wildlife Refuge, has the lowest growth capacity of the four arctic herds and the least capacity to resist natural and human-caused stress. Higher insect activity associated with climate warming could counteract any benefits of reduced surface development by increasing the frequency with which caribou encounter infrastructure.

DEVELOPMENT ''FOOTPRINT''

Development has directly affected 17,000 acres spread across an area roughly the size of the land area of Rhode Island. Of this, 9,000 acres are covered by gravel, excluding TAPS, the Haul Road and facilities in NPRA. The environmental effects of oil development are not limited to the ''footprint'' (actual area covered by a structure), but occur at distances that vary depending on the environmental component affected, from a few miles (animals), to much farther (visual effects and seismic effects on whales).

CLIMATE CHANGE AND NEW TECHNOLOGIES

Climate change will continue to affect the usefulness of many oilfield technologies and how they affect the environment. For example, the length of the winter season when seismic and other off road tundra travel is permitted, and ice roads and pads are constructed, has been steadily decreasing since the 1970's. The coastline of the North Slope is presently eroding at a rate of 8 feet per year, the fastest rate of coastline erosion in the United States, and this will accelerate with climate change.

WILDERNESS

Oil development has compromised wilderness values over 1,000 square miles of the North Slope. The potential for further loss is at least as great as what has already occurred as development expands into new areas. Roads, pads, pipelines, seismic vehicle tracks, transmission lines, air, ground and vessel traffic, drilling activities, and other industrial activities and infrastructure have eroded wilderness values over an area that is far larger than the area of direct effects. Most analyses of wilderness effects conducted by the government are cursory, out of date, or both, and none has used new techniques for measuring wilderness values, or attempted to coordinate wilderness assessment or planning among different jurisdictions.

ECONOMIC COSTS OF ENVIRONMENTAL EFFECTS

There have been no economic valuation studies of the effects of oil development on the physical biological, or human environment on the North Slope. As a result, the full cost of oil development on Alaska's North Slope has not been assessed, quantified, or incorporated into decisions that affect use of public land. Incorporation of environmental costs into an overall economic assessment of development would alter projections of economically recoverable oil and gas on public land on the North Slope. For example, the U.S. Geological Survey periodically estimates the amount of recoverable oil in various areas of federally owned land on the North Slope. In doing so, the USGS generally projects the amount of oil that is ''economically recoverable'' from these lands given a particular price of oil and given a set of costs associated with development and transportation. By not fully accounting for environmental costs in its projections, the USGS underestimates the cost of development, which in turn inflates the amount of oil considered economically recoverable at a given market price.

SPILLS

Hundreds of spills occur each year in the oilfields, but to date they have not been large enough or frequent enough for their effects to have accumulated. Offshore, the industry has not demonstrated the ability to clean up more than a small fraction of oil spilled in marine waters, especially when broken ice is present.

AIR POLLUTION

Not enough information is available to provide a quantitative baseline of spatial and temporal trends in air quality over long periods across the North Slope, and little research has been done to quantify effects. More than 70,000 tons of NO_x, are emitted each year by industrial facilities on the North Slope, along with thousands of tons of sulfur dioxide, carbon monoxide, volatile organic hydrocarbons, and millions of tons of carbon dioxide. Even though air quality meets national ambient air quality standards, it is not clear that those standards are sufficient to protect arctic vegetation.

LACK OF RESTORATION

Only about 100 acres (1%) of the habitat affected by gravel fill on the North Slope have been restored. The Committee concluded that unless major changes occur, it is unlikely that most disturbed habitat on the North Slope will ever be restored. Because natural recovery in the arctic is slow, effects of unrestored structures are likely to persist for centuries, and will accumulate as new structures are added.

DECISION-MAKING

Decisions about development on the North Slope have generally been made one case at a time, in the absence of a comprehensive plan and regulatory strategy that identifies the scope, intensity, direction, and consequences of industrial activities judged appropriate and desirable. Similarly, the minimal rehabilitation of disturbed habitat has occurred without an overall plan to identify land-use goals, objectives to achieve them, performance criteria, or monitoring requirements. Little consideration has been given to how future trajectories of development would be viewed by different groups, including North Slope residents. In addition, as indicated above, the full cost of oil development on Alaska's North Slope has not been assessed, quantified, or incorporated into decisions that affect use of public land.

WINTER OFF-ROAD SEISMIC EXPLORATION AND ICE ROADS

The Committee estimates that more than 32,000 miles of seismic trails, receiver trails, and camp-move trails were created between 1990 and 2001, an annual average of 2,900 miles each year. If current trends continue, some 30,000-line miles will be surveyed on the North Slope over the next decade. These trails produce a serious accumulating visual effect and can damage vegetation and cause erosion. Data do not exist to determine the period that the damage will persist, but some effects are known to have lasted for several decades. Seismic exploration is expanding westward into the western arctic and the foothills, where the hilly topography increases the likelihood that vehicles will damage vegetation. The use of ice roads and pads has increased and will continue to do so, but little information is available on how long effects persist.

REGILATORY ISSUES

The report did not evaluate the adequacy of existing regulations. However in the course of the review, a number of issues arose. Examples include the following.

Protecting the tundra from winter off road travel

DNR permits tundra travel for seismic camps where there is an average of 6″ of snow and 12″ of frozen soil, which the committee concluded are not based on scientific evidence. The only published study of seismic disturbance in relation to snow cover suggests that disturbance occurs at snow depths of 10″–28″ of snow. In addition, the use of AVERAGE snowpack and frost thickness by regulatory agencies does not take into account differences in snow cover across different land forms or across the slope.

Restoration

Fewer than 1% of Corps permits contain restoration requirements, and those don't generally include specific standards, requirements for long term monitoring, or performance criteria. Only 6 of the 1,179 permits issued by the Corps require the re-use of gravel. The Corps does not have an estimate of the area affected by permits it has issued.

Groundwater

Existing data on groundwater suggests that sub-permafrost groundwater may meet the regulatory definition of a drinking water source more commonly than thought. No testing of groundwater is required prior to waste injection.

Water withdrawals

Water withdrawals from fish-bearing lakes for purposes such as building ice roads and pads are limited to 15% of the estimated minimum winter water volume. The committee cited the lack of data to support this criterion, which it terms arbitrary. For fishless lakes, there were no restrictions on removal of water as of late 2002; all unfrozen water from such lakes can be drained. The effects of such complete withdrawals have not been evaluated.

Mrs. BOXER. Madam President, it is very important everyone vote. This is a close vote. I don't think this should be in a budget resolution. It is very obvious what the proponents of drilling want to do. They want to get this into

reconciliation so those who have deep, strong feelings will not be able to talk at length about it, to stop it. I hope we stop it today.

I reserve 1 minute for closing debate.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, previously I yielded the Senator from Alaska 1 hour on the amendment. Is there any time remaining?

The PRESIDING OFFICER. There is 12 minutes remaining on the amendment.

Mr. NICKLES. I yield to the Senator from Alaska not only those 12 minutes but also such time as he desires on this resolution. I also remind him I told the Senator from Alabama that he would be recognized for a few minutes, as well. I yield to the Senator from Alaska such time as he desires.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, I am delighted to be here when my friend from California mentions my name and someone I should call. I assume that would be President Carter. President Carter told the House of Representatives not to send him the 1980 bill until after the election. And he waited until after the election, but he did sign it.

The item I read last night is from Jimmy Carter's own record, his own words at the time he signed that bill. It is true, since that time he has campaigned against a provision of the bill that he signed.

We have an amendment introduced now by the Senator from Connecticut to repeal that provision. But that is the first time there has been an amendment to repeal that provision, primarily because the people who were here then who made the commitment to Alaska are all gone. It is sad we have to wait until those people who make commitments to a State that leads to a decision to withdraw over 100 million acres of Alaska land, the one decision we got was we would be able to open up exploration and development on the Arctic coast if we could show there would be no irreparable harm in that area. That was shown with two environmental impact statements.

Later I will make comments about the impact of the provision of the Senator from California with regard to the people of California. I spent a good period of time in California. I was raised there and went to school there—UCLA. I tell the people of California when their price of gasoline goes up, call Senator BOXER. Call her and ask her why she opposes oil coming from Alaska as it used to. For over 20 years we sent oil to California from the same area. Now she refuses to allow us to continue to explore in the area that her two colleagues, Senator Jackson and Senator Tsongas, in 1980, said would be open.

There are pretty flowers all over Alaska in the summertime. I can show the Senator from California a picture of a million acres of golden rod waving in the breeze. It is beautiful. But I can also show a picture again of the tundra. This is what the area she had a picture of looks like most of the time, the tundra, solid, frozen tundra, and we do this in the wintertime. We do not spoil the flowers. We build ice roads across the tundra and drill for oil and gas. It is completed when it is still frozen land.

We did not disturb the caribou. As a matter of fact, here is a good example. I am sorry the Senator from California has not seen fit to come to Alaska and look at the area she talks about. There is the caribou right near Port McIntyre field. That is where they come. They do not look disturbed to me. I have been up there, and there are so many on the runway we had to wait until they decided to leave because they get first call on the runway.

It is time we talk facts. And the fact is, Congress pledged this area would be available for oil and gas exploration. The 1002 area was specifically reserved for oil and gas exploration. It is not wilderness. The Senator from California and others insist on coming out here and saying we want to drill in wilderness. That is not true. It never was wilderness from the time it was withdrawn when I was in the Department of Interior in the 1950s. We specifically allowed oil and gas leasing under the Mineral Leasing Act to continue, although the area was withdrawn from all other forms of entry under public land laws.

As long as the Senator from California mentions whom I should call, she might want to visit with the Eskimos in the Senate gallery. They are part of 100,000 Alaska Natives in favor of drilling in this area. I intend to spell that out in more detail later.

I don't need to call a former President. I know where President Carter stands now, but I knew where he was when I saw him signing the bill. He signed that bill that contained the section 1002, and he gave us the right and approved the offer made by Senator Jackson and Senator Tsongas to me that if we allowed the million acres to be withdrawn, we would continue to have the right to explore in the Arctic.

I yield to my friend, and I reserve the remainder of my time. I will talk right up to the vote and urge Members of the Senate to think about one thing, and that is the value of the oil in our area of Alaska as compared to the continued dependence upon foreign oil in increasing amounts in this country.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, I thank the Senator from Alaska for his tremendous leadership on this issue. It is a very important issue to America. I salute the Presiding Officer for her leadership on it. It is so important.

There is no doubt about it; any activity in this area would have minimal environmental impact. This is going to be the most closely watched drilling ever to occur in the world, I suppose. It will be environmentally sound in every possible way, using the newest technology, as Senator DOMENICI said. It will be on land where you can control things better. It will be a minute footprint in these millions of acres of land. It is going to be carefully done.

While we are talking about safely drilling in Alaska, today no one I know of is seriously opposing drilling in the Caspian Sea. No one is opposing the drilling that goes on in Venezuela. We are drilling off the coast of Louisiana, Alabama, and Mississippi, and in the Gulf of Mexico right now, producing oil and gas in a much more high-risk environment than this would ever be. So this is an unbelievable argument to me. It goes against all logic.

This is a minute environmental impact, I suggest. But it represents, without doubt in my mind, the greatest economic growth potential of anything in the President's package or anything we are dealing with on the floor right now. This is an important growth issue for America. The reason is, we are talking about new wealth to America.

Every day, if we do not buy the oil that comes from this region, we will be sending our money to Venezuela and Saudi Arabia and Iraq and whatever other OPEC nation we would be sending it to—a direct sucking sound of American wealth going to foreign nations.

We have had various studies. One said 735,000 jobs would be produced. Another one has come in at 575,000 jobs that would be created.

I want to make one point. These are going to be critical jobs, high-paying jobs in drilling—environmental engineers, pump manufacturing, shipping, transportation, rail, airlines are going to be active, steelworkers, teamsters, and that kind of thing, high-paying jobs. Money will be paid to them out of the money that we would have otherwise sent outside of this country for foreign oil that would not have been paid to American workers. High paid salaries to American workers—it will be missed by us.

So I would say this is big. I will just briefly make this point. How big is it? If we had 575,000 jobs, and they are making higher wages, if they are a spouse who is working, they may be paying more than the figure I would float out, but I suggest these jobs will result in IRS payments to Uncle Sam, Uncle Sugar, of probably $10,000 per job.

You add that up, 575,000 jobs at $10,000 to the tax man of the United States, that turns out to $5.75 billion a year to the Treasury of the United States. Over 10 years that is almost $50 billion.

Are we going to pay this to the ''stans,'' to Russia, Venezuela, Mexico, Iraq, Kuwait, those countries? That is who is getting it now and will be getting it in the future. It is really a tremendous amount.

This does not count the royalties that will be paid by the drilling companies to the United States. They will be paying $10 to $20 billion over the life of this activity.

We have also not forgotten, I hope, that the drilling here, under the legislation as proposed, will result in the payment of $2.5 billion to the Land and Water Conservation Fund for conservation programs in America. I have absolutely no doubt—I know the Presiding Officer shares this—that $2.5 billion will do more environmental good throughout the entire United States than this 2,500-acre footprint of drilling would cause damage in this vast ANWR region of Alaska.

I really believe this is a tremendously important economic issue for America. It is jobs, jobs, jobs. Those of us who are wrestling with a budget in this country that shows declining revenues, it will guarantee increased tax revenues to the United States. We must not allow exaggerated fears to pull us back from this important issue.

It is great to be with the Senator from Alaska, and know he knows this issue so well. I appreciate his leadership. Yes, it is good for Alaska, but it is good for America. We thank you.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 274

Mr. CONRAD. Madam President, I know the Senator from South Carolina has a sense-of-the-Senate amendment. Let me just say I regret that because we have done our level best to stop the practice of offering sense-of-the-Senate amendments on the budget resolution. We have established a point of order against them to try to discourage sense-of-the-Senate amendments. And we have been so far, until this moment, successful on both sides. I just say to my colleagues, if we start down this path, we will be right back to where we were in the past. We are going to be right back to vote-arama. We are going to be right back to a circumstance in which, when all time has expired, we are going to face 30 or 40 or 50 votes and nobody is going to have a chance to explain them. We are going to have Senators, hour after hour after hour, marching down into the well of the Senate to cast votes on issues they have not even had a chance to debate or had a chance to discuss.

I regret very much the sense-of-the-Senate amendment has been put in this queue. I say to my colleagues on the other side, if we start down this path, the same thing is going to happen over here.

Let me say, it is not the fault of the Senator from South Carolina. He has offered an amendment in good faith. We respect that Senator. But the point is a larger question of how we proceed on a budget resolution. Both sides have worked very hard to prevent vote-arama.

We are right now rushing toward that result. I hope everybody thinks very carefully now about the decisions we are making because we are going to reap the whirlwind.

Let me just say this to my colleagues. There is an alternative. The Senator from South Carolina has gotten in the queue. I hope we can work out an agreement on his amendment. I understand staffs on both sides are working on that. If we do not draw the line here, it is Katie bar the door. And we should all understand that.

No. 2, I hope after the Senator from South Carolina has a reasonable time to discuss his amendment, hopefully during that period our staffs can work together and we can reach an accommodation and agreement so the amendment of the Senator can be adopted without a vote. I urge that course on my colleagues on the other side.

Next, that we then move to a debate on another amendment with the ability to come back and finish off on ANWR before the vote that is now scheduled at 3 o'clock. I just hope we all think very carefully, now, in these minutes, before we head down this path, of where it leads. At the same time, on both sides, we discussed trying to reach an agreement on a set number of amendments, those to be debated and those to be in vote-arama.

On our side we are calling a caucus to discuss that very question. I hope the other side—I have already talked to Senator NICKLES about it—will give it close consideration as well, so we avoid this spectacle of vote-arama. But right now colleagues should understand we are headed for the vote-arama of all time, and it will not reflect well on the body, and it probably will not lead to the best results.

With that, I yield the floor and, again, hope my colleagues consider these options.

Mr. GRAHAM of South Carolina addressed the Chair.

Mr. STEVENS. Madam President, will the Senator yield for a moment?

Mr. GRAHAM of South Carolina. Absolutely.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, while the Senator from North Dakota is here, I would like to see if there could be an agreement. I understand we are going off this amendment to delete the ANWR provision in this budget resolution for a little while. I wonder if it would be possible if we could ask unanimous consent that we return to this amendment at 2 o'clock—the vote will be at 3—and the time between 2 and 3 o'clock be equally divided between the two sides.

Mr. CONRAD. I would certainly be open to that. I would want the opinion of the manager and chairman of the committee.

Mr. NICKLES. I have no objection to that. This is a very important amendment. It is one of the reasons why I encouraged our colleagues to bring it up. I knew it was going to take some time. I have no objection to that.

Mr. CONRAD. We have no objection on this side.

Mr. STEVENS. I do offer that unanimous consent request. I point out, I could speak from now until 3 o'clock, if the Senate would like to do that, but I think it is best we go ahead as the leader requests we do. I renew my request.

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

Who yields time?

The Senator from South Carolina.

Mr. GRAHAM of South Carolina. Madam President, I have a housekeeping chore. I would like to submit to the clerk a modification to my amendment and ask unanimous consent that the amendment be modified.

No modification is needed, I am told. Thank you.

Madam President, Social Security is not only hard to solve, it is also hard to get before the Senate. So I apologize for the confusion.

I understand the concern of my colleague from North Dakota. But having a bit of time to talk about Social Security I think is very appropriate.

The budget resolution process is a roadmap to make sure we can understand what we are doing as the year progresses in terms of spending and taxes and what provisions to take up and when. I applaud both the Senator from North Dakota and the Senator from Oklahoma for working together to try to make this as painless on the body as possible. But this amendment, hopefully, can be accepted in some form, either voted on or accepted by the body.

If you are going to have a roadmap for America this year or any other year, it is time we start putting Social Security on that roadmap. Social Security is a system that Democrats and Republicans embrace as being vital to the Nation. It is a system that working Americans pay into every year. Millions of Americans receive a substantial part, if not all, of their retirement income from Social Security, after years of paying into the system.

This amendment is part of this roadmap for America that we are talking about. It lays out some findings and some facts that are not Republican spin, not Democratic spin, but come from the Social Security trustees themselves, the people in charge of telling us, in managing the program—''us'' being the House and the Senate—the state of affairs with Social Security.

We are on the verge of a war. Only God knows what will happen here shortly. But it is my belief, unless there is some major miracle, we will be involved in hostilities with young men and women in harm's way protecting our freedom. I know one thing every Member of the body can agree on is that these young men and women deserve our support and our prayers if ordered into battle. And they will get that support and those prayers in a bipartisan way because what they are doing is very noble, in my opinion, trying to preserve our freedom and bringing about more stability in the Mideast.

We can argue about the nuances of the diplomacy and lack thereof in some people's opinion that got us to being on the brink of war, but once hostilities begin, I am sure everybody will come together and say a prayer for our troops and support our President the best they can.

That same dynamic needs to exist with Social Security, because there is a big, gaping hole in America's domestic agenda. You can talk about the size of the tax cuts, whether we should have one, whether it should be $750 billion or $350 billion or 30 cents or $2 trillion. Whatever opinion you have, I respect, and I have my own about that; and that is a point of debate.

One thing we need to understand and come together on quickly, in my opinion, is certain facts surrounding Social Security.

In 75 years—I know that seems forever. But my predecessor, Senator Thurmond, turned 100 a few months ago. He is going to be a first-time grandfather. Our State's former junior Senator, now senior Senator, is 81. So in South Carolina, 75 years is not long in politics. It seems forever, but it is not, really.

In 75 years, our trustees, the people in charge of the Social Security trust fund, tell us we will be $25.3 trillion short of the money necessary to pay benefits. I want to repeat that. I know there are a lot of important votes to come on ANWR and tax cuts, and this roadmap is about this year; and we are trying get through this day to make sure we can get on with the business of the Senate. And that is the way politics is, probably to a fault sometimes: getting through this day, getting through this amendment, so we can get on with the next event of the next day. We are in the middle of an international crisis, and our hope is we can get through the coming days as quickly as possible and resolve it.

Time is not on our side in solving Social Security structural problems. You could say: Well, 75 years is a long time. But between now and 75 years from now, for the obligations of the trust fund, and the money to pay those obligations, there will be a $25 trillion gap. And I ask, simply, the following question: Where does the money come from?

People want to know how much the war is going to cost—and the occupation. The truth is, it is going to be billions of dollars over several years. As we try to find out where the money comes from to get us through this day and this year, I hope we will start focusing on, in a bipartisan fashion, where does the money come from to keep Social Security solvent?

Seventy-five years from now, if nothing changes—if all we do is run ads against each other and belittle opportunities to fix it in a partisan way; if the Democratic and the Republican parties stay on track, based on the last campaign cycle, of trying to use the Social Security issue as a way to capture power for the moment—then we are going to allow one of the best programs in the history of the Nation not only to become insolvent but create a financial crisis in this country that we have not experienced, ever.

Another date I would like to point out: In 2042, which seems forever, but it is not, a problem occurs with Social Security. Seventy-five years from now, the unfunded liability in obligation will be $25.3 trillion. But before you get to that point in time, the next major event, according to the trustee report released yesterday, is 2042.

What happens in 2042? In 2042, the amount of money available to pay benefits will be such that benefits will be reduced for the average recipient by 28 percent. I want to say that again. If we do nothing different, if we just collect the same amount of money, and get the same growth rates, in 2042 you are going to reduce benefits for everybody on Social Security by 28 percent. The other option is, according to the trustees, raise payroll taxes of the workforce in existence then by 50 percent. These are two very dramatic and unacceptable options, in my opinion.

Now, in 2042, I doubt if I will be here. But if the history of my State stands the test of time, I will be here because I will turn 100 in 2055. If I can do what my predecessor has done, which I very seriously doubt, I will have another term left. I doubt if that will happen in my case, but somebody is going to be here in 2042 from South Carolina and every other State represented here today.

My hope is that during my time in the Senate, I can join with my colleagues of like mind on both sides of the aisle to make life a little better for the American public, the taxpayer, and those who will be doing the job we are engaged in today a little better than the trustees tell us of what is going to happen in 2042.

I would like to recognize certain Members of this body: Senator GREGG, Senator BREAUX, and many others, Senator Moynihan, a former Member of the Senate, who have brought ideas to the table, have worked in a bipartisan manner, along with President Bush. I compliment President Clinton for putting the issue of Social Security on the table. I didn't particularly like his solution to better growth rates, but he acknowledged that growth rates were a problem. So there is the foundation being laid in the last couple years to do something constructive.

I compliment everybody in this body who has been part of that process. As a Member of the House for four terms, I tried to be a constructive Member dealing with Social Security over there.

The temptation to achieve political power is great when the Senate and the House are so closely divided. Every issue is looked upon as the issue that can get you back in the majority or the issue that may cost you the majority. My concern is that if we have that approach to reforming and solving Social Security—I know the Senator from North Dakota who is managing the minority side of the bill is a fine Member who loves his country as much as I do—if we keep this partisan atmosphere going that has existed in the past and has been bipartisan in the demagoguery, we will run into a problem. So in 2042, I would like us to avoid what is coming our way. The only way to do is to start now.

Another date the Social Security trustees tell us is a very important date is 2018. I have gone from 75 years now to 2042 to 2018. What happens in 2018? In 2018, for the first time in the history of the program, we will pay more in benefits than we collect in taxes. What is going on here? There are a lot of young folks working in the Senate—pages, interns. We are really talking about their future more than anything else.

In 2018, we pay out more in benefits than we collect in taxes. What is wrong with Social Security? Why is it mounting up this unfunded obligation? Why are we beginning to pay more in benefits than we collect in taxes? Why do we have to cut benefits in 2042, and why are we $25 trillion short in the money to pay everybody 75 years from now?

Well, it is not a Republican or a Democratic problem in terms of politics. It is just the way the country has changed. I was born in 1955. In 1950, a few years before I was born, there were 16.5 workers to every retiree. According to the trustees, in 1950, there were 16.5 people working paying Social Security taxes for every retiree. Today there are 3.3 workers to every retiree. Twenty years from now, there are going to be two workers for every retiree. That is not a Republican problem. It is not a Democratic caused problem. That is not because we can't get along up here. That is because the ratios have changed. There is no reason to believe they will go back the other way.

My father and mother are deceased now, but I think in my mother's family there were nine members of her family, and my father had eight. I am not married. I don't have any kids. My sister has one. I sort of reflect what is going on in the world. I hope to help solve the problem later down the road. If I do what Senator Thurmond has done, 23 years from now, I would have my first child. I doubt if that will happen, either.

But as we kind of mark these points in time and make it personal, the problem is that the demographic changes in America have put Social Security at risk. It is nobody's fault, but it is everyone's problem. You cannot keep the program solvent when the ratio has gone from 16.5 workers to 1 in 1950 to 20 years from now being 2 to 1. There is just not enough money coming into the system.

Now, when you talk about Social Security spending and what to do and the idea that we are spending Social Security surpluses to run the Government,

you get everybody upset. And they should be. I came to the House in 1995. One of the first things we tried to do was isolate Social Security money surpluses and make sure we did not use the Social Security dollars paid into the system to run the Government. That has been a practice that has been going on for 30 or 40 years. Both parties have engaged in that practice.

Every year we collect more in Social Security taxes than we pay in benefits. That extra money is called surplus. We have borrowed that extra cash, given the trust fund IOUs that have to be redeemed in the future. That has allowed us to grow this Government without a direct tax on people.

That is a bad practice. It is not good government. It is not good business. For several years we have been able to avoid doing that in a bipartisan way.

You remember in the last debate there was the lockbox. Let's put everything related to Social Security in this lockbox. In my last campaign for the Senate, I constantly heard it: If you just left Social Security money alone and you didn't take it out to run the Government, if you kept it in a lockbox and left it alone, most of these problems would go away.

That is not true. As much as you would like to believe that, that is not true. If you took every penny collected from Social Security and you dedicated it totally to the trust fund and totally to the benefits to be paid, you are still $25 trillion short in 75 years. It still runs out of money in 2042. The problem is that two workers paying into the system will not be able to support the massive number of baby boomers coming into the system.

Having said that, I would like to work with my colleagues on both sides of the aisle to do a better job of protecting Social Security. I don't believe there is any party that has been in power for the last 40 years that could look the American public in the eye and say that they have not been guilty of using the surpluses in some fashion for other than Social Security.

In September of last year, I wrote a letter to the Social Security Administration asking 17 questions. Here is one of the questions I asked: Some have proposed a Social Security lockbox; would a lockbox, by itself, extend the solvency of Social Security beyond the year Social Security is expected to become insolvent? In a nutshell they said, the implementation of a Social Security lockbox would not alter this commitment and thus would have no direct effect on the future solvency of Social Security.

Having said that, I do believe we should isolate Social Security dollars and dedicate those dollars to the payment of Social Security trust fund obligations. That is just good government. But please do not tell your constituents back home that will fix this problem because it most certainly will not.

After having heard my rendition, there is probably not much good news you have heard yet. The good news: there is a way, in my opinion, to make up the $25 trillion shortfall over 75 years, to change the fact that you will have to reduce benefits by 2042 by 28 percent—that is all the money you will have to pay benefits by then—and to even change the dynamic of paying more out in benefits than you collect in taxes by 2018.

The good news—just like everything else in Washington, there is a bad news/good news part of what I am about to say—is that the growth rates for Social Security, the amount of return you get on your FICA tax dollars or Social Security tax dollars taken out of your paycheck for younger workers, people born in the 1980s, it is less than 2 percent. If you happen to be a minority in this country, born in the 1980s, it is less than 1 percent.

Let me say that again. This is not Lindsey Graham saying that. The Social Security trustees have reported back to me in this letter.

I ask unanimous consent to print the letter in the RECORD.

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

SOCIAL SECURITY,
OFFICE OF THE CHIEF ACTUARY,
Baltimore, MD, September 26, 2002.

Hon. LINDSEY O. GRAHAM,
House of Representatives,
Washington, DC.

DEAR MR. GRAHAM: Thank you very much for the opportunity to answer the questions you have posed in your letter of September 6, 2002. The answers below are based on the intermediate assumptions and projections presented in the 2002 Annual Social Security Trustees Report and estimates that we have provided for a number of reform proposals over the past several years.

Many of the questions that you raise are very complex and the answers are subject to considerable uncertainty and even debate. I am providing brief answers reflecting my understanding of these issues based largely on the work done in the Office of the Chief Actuary for the Trustees, the Administration, and the Congress. I hope these responses will be helpful. I look forward to working with you, and Aleix Jarvis and Jessica Efird of your staff in the effort to develop proposals to reform Social Security and restore long-term solvency for the program.

(1) Based on the Social Security Administration's projections, in what year does Social Security begin to pay more out than it takes in?

Answer. Under the current intermediate assumptions of the 2002 Annual Report of the Social Security Board of Trustees to the Congress, and assuming that current law is not changed, we project that annual cash flow for the Social Security program will remain positive through 2016 and will turn negative for calendar year 2017 and later. Annual cash flow is defined here as the excess of income (excluding interest) over expenditures.

(2) Based on the Social Security Administration's projections, in what year is Social Security expected to become insolvent?

Answer. Under the intermediate assumptions, full benefits would continue to be payable after 2016 and part of the way through 2041 by augmenting current revenue from taxes with revenue from redeeming special United States Treasury obligations held by the Trust Funds. During 2041, the theoretical combined Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds are projected to become exhausted and full scheduled benefits would no longer be payable on a timely basis. This condition is referred to as insolvency of the Trust Funds, because available tax revenue would then be sufficient to cover only about 73 percent of the cost of scheduled benefits. In fact, the OASI and DI Trust Funds operate separately and the projected dates of insolvency are 2043 for the OASI Trust Fund and 2028 for the DI Trust Fund. For simplicity of analysis, the date for theoretical combined Trust Funds is usually considered.

(3) Assuming current growth rates remain the same would benefits have to be reduced or taxes increased to keep Social Security from insolvency? If so, how much?

Answer. The intermediate assumptions for the Annual Trustees Reports reflect the Trustees, best judgment about the continuation of current trends in demographic and economic variables like birth rates, death rates, average wage increases and price increases. Assuming the intermediate assumptions of the 2002 Trustees Report are realized, Social Security will require either a reduction in benefit levels or an increase in revenue starting in 2041 for the combined OASDI program (and in 2043 for the OASI program and 2028 for the DI program). If benefits were reduced to meet the shortfall in revenue for the combined program, the reduction would need to be 27 percent starting with the exhaustion of the Trust Fund in 2041 and would rise to 34 percent for 2076. Alternatively, if additional revenue were provided beginning in 2041, revenue equivalent to a payroll tax rate increase of about 3.3 percent (from 12.4 percent under current law to about 15.7 percent) would be needed for the year. The additional revenue needed for 2042 would be equivalent to a payroll tax rate increase of about 4.5 percent. Thereafter the amount of additional revenue needed would gradually rise, reaching an amount equivalent to an increase in the payroll tax rate of about 6.4 percent for 2076. There is, of course, a great variety of ways in which benefits could be reduced or revenue increased for the Social Security program. Many different combinations of provisions to reduce benefits and/or provide increased revenue from taxes could be developed to avoid insolvency of the OASDI Trust Funds throughout the 75-year projection period, and beyond.

(4) If Social Security surpluses were not diverted from the general budget, how would that affect the system? Would it avert a future insolvency?

Answer. I assume you are referring to the fact that for most years in which Social Security has taken in more tax revenue than it has paid out in benefits and other expenses, the rest of the Federal budget has operated in deficit. In these years, the Social Security tax revenue not currently needed for benefit payments has, by law, been invested in securities backed by the full faith and credit of the United States Government. In practice, this revenue has been invested in special issue United States Treasury securities. These securities represent a commitment to redeem these investments, with interest at the market rate, when the Social Security Trust Funds are in need of revenue. Such commitments to the Social Security and Medicare Trust Funds have always been met in the past and should be expected to be met in the future regardless of the fiscal operations of the rest of the Federal Government. Therefore, the trust funds are in no way compromised in their role of maintaining solvency as a result of being invested in special Treasury securities. However, redemption of these Treasury securities held

by the Trust Funds does require the Treasury to allocate General Revenue for this purpose, and this allocation must be met by increasing taxes, reducing other federal spending, or increasing borrowing from the public.

(5) Some have proposed a Social Security ''lock box.'' Would a ''lock box'' by itself extend the solvency of Social Security beyond the year Social Security is expected to become insolvent?

Answer. As suggested above, the Social Security Trust Fund investments represent commitments of the United States Treasury that should be expected to be met when the Trust Funds need to redeem these investments. The implementation of a Social Security ''lock box'' would not alter this commitment and thus would have no direct effect on the future solvency of Social Security.

However, if the effect of a ''lock box'' were to require that the non-Social-Security Federal budget be in balance or surplus for the years in which Social Security makes investments, then the amount of borrowing from the public might be reduced. In this case the difficulty of generating General Revenue for the redemption of Trust Fund investments in the future would likely be diminished.

(6) How many South Carolinians do you project will be receiving Social Security benefits when the program becomes insolvent? How many South Carolinians currently receive benefits?

Answer: In December of 2001, about 704 thousand South Carolinians were receiving Social Security benefits. This represented about 1.5 percent of all Social Security beneficiaries at that time. If this percentage remains the same in 2041, when the combined Social Security Trust Funds are projected to become exhausted, we estimate that about 1.4 million South Carolinians will be receiving Social Security benefits at that time.

(7) What is the ratio of workers per retiree when the program began, in 1940, 1950, 1960, 1970, 1980, 1990, today, 2010, 2020, 2030, 2040?

Answer: The table below provides the historical and projected numbers of Social Security covered workers and beneficiaries. Ratios of covered workers to beneficiaries are shown both where beneficiaries include all beneficiaries and where beneficiaries are limited to retired workers. The number of beneficiaries was extremely small in 1940, the first year that monthly benefits were payable, because only workers with some work in 1937 through 1939 could qualify. This resulted in a very high ratio of covered workers to beneficiaries at the start of the program, which required several decades to mature.

SOCIAL SECURITY (OASDI) COVERED WORKERS, BENEFICIARIES, AND RATIOS—1940–2080

[In thousands]

	Beneficiaries			Ratio of Covered Workers to—	
	Covered workers	Retired workers	Total	Retirees	All beneficiaries
1940	35,390	112	222	316.0	159.4
1950	48,280	1,771	2,930	27.3	16.5
1960	72,530	8,061	14,262	9.0	5.1
1970	93,090	13,349	25,186	7.0	3.7
1980	113,649	19,564	35,118	5.8	3.2
1990	133,672	24,841	39,470	5.4	3.4
2002	152,461	29,123	46,239	5.2	3.3
2010	165,443	34,126	52,865	4.8	3.1
2020	172,848	48,324	68,699	3.6	2.5
2030	178,131	61,740	84,070	2.9	2.1
2040	184,433	66,895	90,068	2.8	2.0
2050	189,845	69,692	94,109	2.7	2.0
2060	194,568	74,937	100,177	2.6	1.9
2070	198,687	80,635	106,723	2.5	1.9
2080	202,238	85,939	112,895	2.4	1.8

Note.—Projections are based on the intermediate assumptions of the 2002 Trustees Report.

(8) What is the sum of the total cash shortfalls that social security is projected to experience from now through 2075, from 2025–2050, and from 2050–2075? (in constant and in present-value dollars)?

Answer. Combining financial values over substantial periods of time is generally done taking into account the ''time value of money''. This is accomplished by accumulating or discounting the separate annual values with interest to a common date. Values combined in this way are referred to as present values as of the date to which they are accumulated or discounted.

In present-value dollars (discounted at the OASDI Trust Fund interest rate to January 1, 2002) the total net OASDI cash flow for years 2002 through 2076 is projected to be nearly −$4.6 trillion. When the Trust Fund balances of over $1.2 trillion at the beginning of 2002 are added to this value, we get a financial shortfall (or unfunded obligation) for the 75-year period of $3.3 trillion. This unfunded obligation indicates that if an additional $3.3 trillion had been added to the Trust Funds at the beginning of 2002, the program would have had adequate financing to meet the projected cost of benefits scheduled in current law over the next 75 years. It should be noted that if the dollar amount of this unfunded obligation is accumulated with interest to the end of 2076, and then expressed in constant (CPI-indexed) 2002 dollars we get $33 trillion.

The present-value net cash-flow of almost −$4.6 trillion for the p0eriod 2002 through 2076 can be separated into the three 25-year sub-periods:+$0.4 trillion for the period 2002 through 2026, −$2.7 trillion for the period 2027 through 2051, and −$2.3 trillion for the period 2052 through 2076. If only years of negative cash flow are included then the value for the first 25-year sub-period is −$0.5 trillion and the total for the 72-year period is −$5.5 trillion.

Summing constant 2002-dollar values from several different years is equivalent to taking their present value and assuming that the operative real interest rate is zero. This may result in values that are difficult to interpret. Constant-dollar values are generally used for comparing separate values over time rather than for combining them. A comparison of constant-dollar values for a series covering many years is helpful in illustrating the extent of real growth in the series over time. There is no meaningful interpretation of the result from summing constant dollar values from many different years.

Expressing the combined values discussed above in terms of simple sums of constant 2002 dollars (CPI discounted dollars) results in quite different results from present value because much greater weight is placed on more distant future years than would be indicated by current market interest rates. Using this approach produces constant-dollar cash-flow sums of +$0.1 trillion for 2002 through 2026, −$8.6 trillion for 2027 through 2051, −$15.3 trillion for 2052 through 2076, and −$23.8 trillion for the entire 75-year period. The sum for the first 25-year period with only negative values included is −$1.1 trillion. The sum for the 75-year period including only negative annual values is −$24.9 trillion.

(9) As a demographic group, do African-American males receive the same proportional return from the retirement portion of Social Security as other demographic groups?

Answer. Due to the nature of the Social Security program it is difficult to look at retirement benefits in isolation. The payroll tax rate is specified in two components, one for retirement and survivor benefits and the other for disability benefits. In addition, a significant portion of the benefits payable from the retirement and survivor tax, for years after reaching normal retirement age (NRA), is actually attributable to the fact that many become eligible for disability benefits before reaching retirement age. However, there are some observations that we can make.

To understand the tradeoffs, first consider the comparison of returns on retirement and survivors taxes for men and women. Men tend to die younger and have higher career-average earnings than women. These factors tend to make the return on contributions for retired worker benefits alone lower for men than for women. However, most men marry, and many have spouses with lower career earnings who receive spouse or widow benefits based on the earnings and contributions of their husbands. This tends to raise the relative return for contributions made by men. Finally, men have higher disability rates than women and thus are more likely to have a shortened career, lessening their lifetime payroll tax contributions without materially affecting their monthly benefit level when retirement and survivors benefits become payable. Thus, with all these factors taken into account it is less clear whether men get a lower return on their retirement and survivor taxes than do women.

For African-American males the situation is even less clear. Life expectancy for African-American males is lower than for white males. But average career earnings are also lower. These factors have at least partly offsetting effects. Because African-American males have higher death rates, they are also more likely to leave a widow beneficiary if married. Importantly, African-American males are also more likely to become disabled than are white males.

Some recent studies have suggested that African-American males get a lower return from Social Security retirement benefits. But these studies have not sorted out many of the complicating factors mentioned above. In particular, many of these studies consider actual case histories of individuals who work successfully without becoming disabled up to retirement. For such individuals, life expectancy at retirement is clearly greater than for those who have been disabled prior to that time, but these studies use overall population death rates. Because African-American males are relatively more likely to become disabled, this distortion of overstating death rates for those who do not become disabled is relatively large for them. This is a significant shortcoming that causes a disproportionately large understatement in retirement returns for African-American males. We are working on a more complete model that we hope will address these concerns and will inform you of our progress in the future. But for now, the evidence on this question appears to be inconclusive.

(10) What is the average current return on investment for FICA tax contributions for someone born before and after 1948?

Answer. Actuarial Note Number 144 ''Internal Real Rates of Return Under the OASDI Program for Hypothetical Workers'' authored by Orlo Nichols, Michael Clingman, and Milton Glanz in June 2001 addressed this issue. This note provides extensive estimates of real internal rates of return for a wide variety of cases.

The most representative of these hypothetical cases presented may be the married couple with a husband and a wife, each having medium career earnings. For this case, assuming a realistic earnings scale through the working lifetime, the real internal rate of return was computed to be 3.50 percent for those born in 1920, declining to 2.33 percent for those born in 1943. Assuming that present-law scheduled benefits would be payable in the future with no change in the payroll tax rate, this real rate of return is projected to decline gradually, reaching 2.20 percent for those born in 1964, and then rising

gradually as life expectancy rises. However, the current payroll-tax rate is projected to be inadequate to finance scheduled benefits in the long run. Under the hypothetical assumption that payroll tax rates would be increased as needed to finance scheduled benefits in the future, future real rates are return are projected to decline more rapidly, reaching 1.95 percent for those born in 1985 and 1.63 percent for those born in 2004.

In general, real rates of return are higher for married couples with one earner and for workers with low earnings. Rates are generally lower for single workers and for high earners.

(11) Have policy proposals been introduced that keep Social Security from insolvency, allow for personal accounts, and do not change benefits for those already receiving Social Security benefits?

Answer. Absolutely. A number of Congressional proposals would accomplish these goals. At a hearing before the House Ways and Means Committee in June 1999, ten plans were presented by Congressional sponsors. The sponsors of these plans were, Archer/Shaw, Kolbe/Stenholm, Nadler, Moynihan/BKerrey, Gregg/Breaux, PGramm, NSmith, Stark, MSanford, and DeFazio. We estimated that all ten of these proposals would restore solvency for the Social Security program for at least the full 75-year projection period. None of these proposals would reduce benefits for current beneficiaries, but three of them would slow growth in benefits for current recipients by reducing the size of the automatic cost-of-living adjustment (COLA) either directly, or indirectly (through modifying the CPI). Seven of these proposals provided for individual accounts on a voluntary or mandatory basis.

Since 1999 additional proposals have been developed that would meet these criteria, including the Armey/DeMint plan and Models 2 and 3 of the President's Commission to Strengthen Social Security.

(12) Have there been any proposals introduced that would create personal accounts, avert a future insolvency of Social Security, without reducing benefits or increasing taxes? Have there been any proposals without personal accounts introduced that would avert a future insolvency of Social Security without reducing benefits or increasing taxes?

Answer. The financial shortfalls projected for the Social Security program can only be eliminated by reducing the growth in benefit levels from what is scheduled in current law, or by increasing revenue to the program. In the long-run, additional revenue can be generated by expanding the amount of advance funding either in individual accounts or in the Social Security Trust Funds. All of the proposals mentioned above pursue this approach to some degree. However, creating additional advance funding requires additional revenue for a period of time. This additional revenue may be generated by (1) reducing Social Security benefits paid from the Trust Funds, (2) directly increasing the amount of payroll tax or some other tax, or (3) providing transfers or loans from the General Fund of the Treasury. Whether General Revenue transfers or loans represent an indirect increase in taxes depends on a number of complex factors many of which are generally unknown in the context of Social Security reform, so no definitive answer can be given.

All of the plans that we have analyzed in recent years provide for one or more of the three measures to generate additional revenue both to restore solvency for the Social Security Trust Funds and to provide for additional advance funding. This is true for plans that include individual accounts as well as for those that do not.

Sincerely,

STEPHEN C. GOSS,
Chief Actuary.

Mr. GRAHAM of South Carolina. They have laid out the rates of return for people born after 1980.

As I have told you, they are less than 2 percent. Over time, they go down because the problem, over time, gets worse. As you pay into the system as a young worker, the obligations of the system get greater, and there really will be no rate of return. As a matter of fact, by 2042, not only does your money not work for you, it is not enough to pay benefits to people who are already in the system.

Here is the good news. If we could, in a bipartisan fashion, work together, I am confident we could construct a program for younger workers—voluntary in nature—that would allow them to take part of the money they pay into Social Security, invest it in a different system—equity and nonequity, depending on what they want to do—that will dramatically outpace a 1.8 percent return.

Here is what I suggest to you as reality. If you had a business and you wanted to sell an annuity to young people in America, and you laid out the program of that annuity and it mirrored Social Security, nobody in the country would invest in it simply because they can get a better rate of return leaving it in a checking account.

Now, everything about Social Security is not total retirement. There is a component of Social Security that pays for people who have been disabled and injured. That aspect of the program is extremely important also.

But to have a better business view of Social Security is necessary. If we could achieve better growth rates—and the trustees tell us that if you achieve better growth rates, every dollar in additional growth, every time the fund beats that 1.8 or 1.6 rate of return, that extra dollar allows benefits to be paid without raising taxes.

We are going to argue about the tax cut and how to stimulate the economy. I remember in my last campaign, when I presented this idea, the ad was that ''Lindsey Graham is going to take your Social Security tax dollars and put them in Enron stock.'' Well, I didn't wake up one day and think investing in Enron with Social Security was a good idea. That is not what this program is designed to do.

There is bipartisan support for personal accounts, allowing individual Americans the opportunity, if they choose, to invest in plans to get better growth rates. There are visitors here from all over the country, most likely, and I welcome them here. One thing about being a Member of the Senate, or the House, or a Federal employee in any fashion, is that you have the opportunity, if you choose, to invest in the Thrift Savings Plan. It is a pretty good deal. I, as a Senator, can invest up to about $10,000 of my salary into a thrift plan. It is a Government-sponsored plan, administered by the private sector, where I can choose between three or four different investment options, based on the risk I want to take. There are stock funds, mutual funds, bond/stock funds, Treasury notes, which I can choose based on the risk I want to take.

All of these funds are supported by the Government in the sense that we are going to stand behind them and not let them collapse. It is even better than that. The Government puts in 50 cents on the dollar up to the $10,000 I put in, and they do the same for every Federal employee.

I suggest something like that should exist for the average working person in this country because under the current tax system, the average American will pay more in Social Security taxes than in any other form of tax, because this comes out of our paycheck—6.5 percent—no matter what our income is, up to a certain level.

For middle- and low-income workers struggling to get by, 6.5 percent—I think that is the correct number—comes out of your paycheck to go into the Social Security trust fund. For younger workers, we are taking that money from you. We are giving you no options to invest it. We are controlling it for you, and you are going to get that 2 percent—eventually less than 1 percent—over time.

I think that is wrong for the people paying taxes. But here is the big crime of it all: That system locks in failure for Social Security. Some Senate, somehow, someday—if we don't do something relatively soon—is going to be dealing with a trust fund that is $25 trillion short of the money necessary to pay the obligation, and it is going to be dealing with a trust fund from which somebody gets a letter one day saying: That check you got last month will be reduced by 28 percent, and I am sorry we don't have the money to pay you.

I don't know who will be occupying this seat then—I doubt if it will be me—but I would like to take some of that burden off their shoulders and off the working families and the working people in this country, in terms of taking their money and getting a better rate of return for it.

So the hope and purpose of this amendment is to put into the record this year, 2003, let it be said—if there is a record that stands the test of time, let it be said that in 2003 the Senate will soon adopt facts that I think are irrefutable, nonpartisan in nature, that lay out the future of Social Security solvency in a very honest, dramatic, and chilling way.

I congratulate my colleagues who are willing to accept this amendment as part of the roadmap for the budget this year. The facts are real. They are not going to go away unless we make things happen differently.

One thing I remember from President Clinton—and it was a good line—is that

the definition of insanity is doing an event the same way and expecting different results. So I think it is insane politically for us to keep this system in place expecting different results to fall out of the sky. They will not fall out of the sky.

Our freedom is about to be strengthened because some young man and woman chose to volunteer to serve their country and risk their life for our freedom. You can debate all you would like whether this is an appropriate thing to do. But they have taken on that sacrifice, and they will accept the order, if given, to go forward. That model is the model that has kept us free for over 200 years—average, everyday Americans who are willing to do their part, willing to risk their sons and daughters, their own lives, to make sure the next generation can have the blessings of liberty that we have enjoyed.

There was an interview I heard today of a family with twin sons serving in the same Marine unit, both of them ready to go tomorrow, if that is the day chosen. The mom and the dad were very worried but bursting with pride about the fact that both of their sons have chosen to serve in the Marine Corps and both of them are on the tip of the spear. What they were trying to tell the commentator was that they are proud of them because they are willing to serve their country and protect their way of life. The parents mentioned the fact that their hope is that life will be better for their kids than it was for them, and that truly is the American dream. That is what keeps us all going, trying to make sure that we pass on to the next generation a future with a possibility, with hard work, to be better than the one we have experienced.

I can say with all the confidence in the world that if we don't act soon, and act decisively, and if we are not willing to sacrifice politically and make some structural reforms to Social Security, we are committing political malpractice, and the future of Social Security is dismal and the ability to maintain the system is going to be unbelievably costly, and you can wind up with a Social Security pension plan and the military, and no money to do anything else. That is what awaits us as a nation.

But I am just as confident that we will rise to the occasion, and I cannot see how right now—it is beyond my ability as a political person to see how all this is going to come together. I am telling you that, based on faith, I know it will. The problems facing our troops—there are so many scenarios that face them in the aftermath of Iraq. There are thousands of different scenarios of ''what if that'' and ''what if that.'' I can only tell you I have the same faith that at the end of the day we will be successful and at the end of the day the sacrifices will be made.

Unfortunately, some people, most likely, will lose their lives or be injured. We are going to get through this thing at the end of the day stronger rather than weaker. We are doing the right thing.

I have faith in our troops and in our President that the dictator, Saddam Hussein, will be gone soon. I have faith that this body, starting this year—I hope it is this year—will come together to address the looming problems that face Social Security. This amendment lays out those problems. It puts it as part of the road map for this year's budget and, at the end, it encourages all to work together with the President to come up with solutions to avoid raising taxes and cutting benefits. It is a small step that will hopefully get us to the right place one day.

I am standing on the shoulders of people who have gone before me who have addressed problems of Social Security, such as Senator Moynihan and other Senators in this body from both parties. I do not know how long I will be here. Only the Good Lord and the voters know that. I can tell my colleagues one thing for certain: While I am here—I consider it to be an honor to be here—I want to do as many constructive activities for my country as possible. I think one of the best things I can do is to come up with an approach my colleagues from the other side can buy into, which means a give and take, to put in place a plan that begins to turn around the dynamics that are facing Social Security.

The good news is if we work together, if we start now, we can beat this problem, we can solve this problem. The bad news is if we continue to do what we have done for the past decade, we are going to pass on to the next generation of political leaders and taxpayers a dismal picture. I would argue that would be the first time in the history of the country that political leaders passed on a country that was diminished, not enhanced. I am confident we will not be the first ones to make that mistake.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator for his statement. I will take a few moments later to respond. Hopefully, we can get an agreement on the contents of the Senator's amendment. In the meantime, the Senator from Washington has been patiently waiting. I yield her 10 minutes or whatever time she uses.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I will later be offering a very important amendment on the budget resolution. It will fully fund the No Child Left Behind Act, and I will be offering that amendment with Senators KENNEDY, BINGAMAN, KERRY, MIKULSKI, and JOHNSON.

Given the bipartisan support for the No Child Left Behind Act a year ago, I am disappointed that there are still no Republicans who have asked to cosponsor the funding that bill promised to all of our constituents.

A budget is a statement of our priorities. In an environment where we cannot fund everything, we have to make choices based on our values. Even when times are challenging, certainly as they are today, it is important that we continue to fund our children's education and to invest in their future.

This budget that is before the Senate has a meager investment in funding for the No Child Left Behind Act, and it fails our children and fails their future. It actually fails the very promise that Congress and this President made to students just a few years ago.

Leaving no child behind was a very important, noble goal, and it passed with bipartisan support. It was an education reform bill that was set out to say we will leave no child behind. But the Republican budget that is now before this Senate does not even come close to meeting the needs of our students or keeping the important promises of that legislation.

When we passed the No Child Left Behind Act, we passed it based on two commitments. The first was that we would hold schools accountable for their progress—an important promise. But we also had a second commitment that we would provide those schools with the resources to meet those new requirements. We are certainly keeping the first part of that bargain, but this budget suggests that my colleagues on the other side of the aisle do not intend to keep the second part of that promise.

We have to ask why this administration is willing to keep a commitment to come down very hard on low-performing schools, but it is unwilling to keep a commitment to provide the resources that our students need to succeed. Tougher accountability without adequate funding is not reform. Mr. President, that is politics.

I want to talk a few minutes about the ways this budget shortchanges America's students. The budget before us could cut funds for afterschool programs for more than 500,000 latchkey children in this country. That is on top, by the way, of the more than 6 million latchkey children we already are not serving.

This budget leaves 6 million of our most disadvantaged students behind by not providing the title I funding they need.

It also falls short on funding for teacher quality, class-size reduction, English language acquisition, safe and drug-free schools, and rural education.

At a time when we are demanding more than ever from our students, our teachers, and our schools, this budget does not invest in them. Some of my colleagues may argue that this budget increases funding for education, but let's be pretty clear. This budget before us robs Peter to pay Paul to provide that meager increase. Even that increase falls short.

Title I in this budget is underfunded by almost $6 million. This budget assumes the elimination of 46 education programs, including, by the way, rural education, support for small schools, and dropout provisions.

This budget also assumes a $400 million cut in afterschool programs despite the strong evidence that keeping children safe after school reduces juvenile violent crime and prevents children from engaging in risky behaviors.

This budget also freezes most of the other major No Child Left Behind programs, including funding for teacher quality, class-size reduction, bilingual education, and State test development. The Federal Government is not only requiring that States put assessments in place, we are requiring those students pass those assessments. That is where our obligation to provide the funding promised in No Child Left Behind comes in. Students need more tests, they need afterschool programs, tutoring, quality teachers, and small classes to pass those tests.

Given the budget crisis that is occurring in many of our States—my State has a $2.5 billion shortfall with which they are dealing—I think it is unrealistic to expect the States are going to suddenly pick up increased education funding to meet the new Federal mandates that this body passed on to them just a few short years ago.

Setting a high bar is obviously important. We all agree with that. But setting a high bar and failing to give our kids the resources to succeed is simply setting them up for failure. We know what the needs are out there. We know what works to help our children succeed, and I am really dismayed that the level of education funding in this budget is going to leave many of our children behind.

That is why later this afternoon I will be offering my amendment to fully fund the commitments we made, all of us made, in the No Child Left Behind Act. It will provide the resources that parents, teachers, and students are asking for. It will fully fund title I at the level that was agreed upon in the No Child Left Behind Act. It will continue to fund the effort to hire 100,000 fully qualified teachers so we can reduce the size of classes in early grades where our children are struggling to learn the basics, and when they are in a class of 35 or 40 students, they simply cannot get the attention they need to assure that when they move on in to the later grades they have the basic skills they need to be successful.

My amendment will also put a high-quality teacher in every classroom. Every parent knows the most important question you ask when your child comes home from school on the first day is, Who is your teacher? Why is that? Because they want to make sure their child has the best teacher. We promised in the No Child Left Behind Act that we would put a high-quality teacher in every classroom.

This budget fails to fulfill that promise. My amendment will also allow communities to offer more afterschool programs to keep our children safe and in a place where they can learn those high standards that we, at the Federal level, are now requiring. It will give children with limited English proficiency more support to succeed, and it will fund initiatives such as rural education and dropout prevention that this President's budget zeroes out.

We know the needs are there. We know what works to help our children succeed. We need the will of the Members of this Senate to make it happen.

I am out in my State, like every other Senator, and everywhere I go students, teachers, parents, principals, and community leaders come up to me and say: We want the No Child Left Behind Act to succeed. We want our students to be held to high standards. We want our principals, our teachers, and all of our administrators to be held to high standards. But we cannot do it when you rob us of the seriously needed funds to do it. Do not put a Federal mandate on us that is not followed through with the resources.

The amendment I am offering will fulfill the second half of that bill that so many Senators spoke so eloquently to a short time ago.

Two years ago, we started down a road of promising all children in this country a quality education. We did the first part by calling for schools to be more accountable for their progress, but now we are seriously stumbling on the second part, providing the funding so local schools can reach those goals that we set at the national level. I hope we are going to do the right thing, I hope we follow through on the promises that every single Senator in this body made to students several years ago, and I hope my colleagues will join me in supporting this amendment and doing the right thing for our children and our future.

We are at a very critical time in this country. We are facing a possible war in Iraq within hours. I think every American is feeling the anxiety and the angst that all of my constituents are as we move forward. Even at this time, we cannot ignore the anxiety that is happening in our children's classrooms. We need those children to succeed so we can have a strong country in the future. My amendment will assure that we keep that part of the commitment that was such an important part of No Child Left Behind.

I look forward to being able to offer this amendment at some time later this afternoon, and I urge my colleagues to support it. I yield the remainder of my time to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Washington for her excellent presentation on this amendment and hope that we can proceed with more substantive amendments as soon as possible and that we can have a healthy debate and then vote on these matters so the body has a chance to indicate their priorities.

I know there are other Senators wishing to discuss matters. I notice the very able senior Senator from South Carolina is in the Chamber. How much time is the Senator seeking?

Mr. HOLLINGS. Is it controlled time?

Mr. CONRAD. Yes, it is controlled time.

Mr. HOLLINGS. Ten minutes.

Mr. CONRAD. I yield 10 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina on the Graham of South Carolina amendment.

Mr. HOLLINGS. Mr. President, I have a very high regard for my distinguished junior colleague, but anybody who puts up this particular sense-of-the-Senate resolution relative to Social Security could not possibly be voting for the tax cuts.

I know a majority of our Republican-controlled Budget Committee has voted for the tax cuts. The President is for the tax cuts. Right to the point, we are about to pass a tax cut in this budget resolution.

I want to bring into focus the sham of the so-called resolution of the distinguished junior Senator from South Carolina because he worries about the year 2042 hours before we are going to war and totally disregards the law. I will propose an amendment to strike all after the enacting clause and inserting in lieu thereof the Budget Act, section 13301.

Section 13301 was a very deliberate and discussed matter that we had not only in the Budget Committee, but I had help on both sides of the aisle, and we voted on it 98 to 2. It was signed into law on November 5, 1990, by President George Herbert Walker Bush. It signed into law the Greenspan commission. With this particular Graham of South Carolina resolution, one would think there was no President Bush commission.

President Bush's commission was chaired, I think, by one of our distinguished former Members, the Senator from New York, Mr. Moynihan, who is under the weather and we all pray for his speedy recovery, but we have that commission report on what to do.

This resolution says we really are concerned about Social Security at this particular point but, by passing this resolution, we want everybody to disregard the fact that this day, this week, this year, this budget, we will be spending Social Security trust funds in order to afford a tax cut. That is all it is. It is an absolute sham. They know it, and I know it.

Section 21 of the Greenspan commission said, put this money in a trust off budget. If we had adhered to it, I think we would have about a $1.3 trillion trust fund. The distinguished chairman of the Budget Committee, Senator NICKLES, said we have always taken from the general fund in order to pay for Social Security, but that is not

right. I have two pages of the 2003 annual report of the Social Security Commission, page 4 and page 5. I ask unanimous consent that those two pages be printed in the RECORD.

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

B. TRUST FUND FINANCIAL OPERATIONS IN 2002

The table below shows the income, expenditures, and assets for the OASI, the DI and the combined OASDI Trust Funds in calendar year 2002.

TABLE II.B1.—SUMMARY OF 2002 TRUST FUND FINANCIAL OPERATIONS

	Amounts (in billions)		
	OASI	DI	OASDI
Assets at the end of 2001	$1,071.5	$141.0	$1,212.5
Total income in 2002	539.7	87.4	627.1
Net contributions	455.2	77.3	532.5
Taxation of benefits	12.9	.9	13.8
Interest	71.2	9.2	80.4
Transfer from General Fund of the Treasury	.4	.....	.4
Total expenditures in 2002	393.7	67.9	461.7
Benefit payments	388.1	65.7	453.8
Railroad Retirement financial interchange	3.5	.2	3.6
Administrative expenses	2.1	2.0	4.2
Net increase in assets in 2002	146.0	19.5	165.4
Assets at the end of 2002	1,217.5	160.5	1,378.0

Note: Totals do not necessarily equal the sums of rounded components.

In 2002, 85 percent of total trust fund income consisted of net contributions, comprising taxes paid by employees, employers and the self-employed on earnings covered by Social Security. These taxes were paid on covered earnings up to a specified maximum annual amount, which was $84,900 in 2002 and is increased each year automatically (to $87,000 in 2003) as the average wage increases. The tax rates scheduled under current law for 2002 and later are shown in table II.B2.

TABLE II.B2.—TAX RATES FOR 2002 AND LATER

	OASI		OASDI
Tax rate for employees and employers, each (in percent)	5.30	0.90	6.20
Tax rate for self-employed persons (in percent)	10.60	1.80	12.40

Two percent of OASDI Trust Fund income came from subjecting up to 50 percent of Social Security benefits above a certain level to Federal personal income taxation, and 13 percent of OASDI income came from interest earned on investment of OASDI Trust Fund reserves. Social Security's assets are invested in interest-bearing securities of the U.S. Government. In 2002 the combined trust fund assets earned interest at an effective annual rate of 6.4 percent. More than 98 percent of expenditures from the combined OASDI Trust Funds in 2002 went to pay retirement, survivor, and disability benefits totaling $453.8 billion. The financial interchange with the Railroad Retirement program resulted in a payment of $3.6 billion from the combined OASDI Trust Funds, or about 0.8 percent of total expenditures. The administrative expenses of the Social Security program were $4.2 billion, or about 0.9 percent of total expenditures.

Assets of the trust funds provide a reserve to pay benefits whenever expenditures exceed income. Assets increased by $165.4 billion 2002 because income to each fund exceeded expenditures, as shown in table II.B1. At the end of 2002, the combined assets of the OASI and the DI Trust Funds were 288 percent of estimated expenditures for 2003.

Mr. HOLLINGS. We can see from the table:

Assets of the trust funds provide a reserve to pay benefits whenever expenditures exceed income. Assets increased by $165.4 billion in 2002 because income to each fund exceeded expenditures—as shown in the table II.B1.

Unlike what Senator NICKLES says at the end of 2002, the combined assets of the OASI and the DI Trust Funds were 288 percent of estimated expenditures for 2003.

This resolution of Senator GRAHAM of South Carolina is just cover for the looting of the Social Security trust fund. As the distinguished Presiding Officer knows, all that is needed to secure the Social Security trust fund is quit spending it on any and every other thing other than Social Security.

Is my time up?

Mr. CONRAD. Would the Senator like additional time?

Mr. HOLLINGS. Yes, I would like additional time, if I can have additional time.

Mr. CONRAD. I yield an additional 10 minutes to the Senator.

Mr. HOLLINGS. The reason I would like additional time is to amend this resolution, and insert section 13301. That is the budget law.

How can we bring into sharp focus that is the law? I have tried by putting different penalties in, but I cannot get the Senate to pass them. We have to quit worrying about the year 2042 and start worrying about today and getting by. Our soldiers in the front lines are ready to go into Iraq, and they are worried about being around this time tomorrow, not 2042.

It is a shame for the Senate to engage in this charade at this hour. We are looting the Social Security trust fund. We are running, this fiscal year, according to the President, $554 billion in the red. That is without the costs of the war, without a supplemental. We ran a deficit last year of $428 billion. That right there is $1 trillion of stimulus into this economy.

They should be ashamed to come here asking for tax reform under the cover of stimulus. No one believes the relief of taxes on dividends will stimulate the economy or the estate tax will stimulate the economy. Those with estates and those with dividends, Bill Gates and several other witnesses, have said that is the wrong course to take. They know it. I know it. You know it.

I had to speak on the initial amendment of my distinguished colleague from South Carolina for whom I have the greatest respect, but we are not going to be able to join in these charades. We have to start paying the bills, including paying for the war, and not engage in tax cuts.

Yesterday, I sent a Dear Colleague letter to everyone in this body about paying for the war. It is very simple. Here we are saying: GI, we want you to go into Iraq and we hope you do not get killed. Then we want you to come back. The reason we want you to come back is because my generation, this Congress, isn't going to pay for it. You are going to have to pay for it. You are not only going to have to fight the war but pay for it.

What do we need in this Congress right now—a tax cut so we can go to Disney World? That is the charade going on here, a few hours before we commit our troops to freedom in Iraq. We ought to sober up.

I am informed by the staff that we have to wait until the end of the consideration to put up the amendment.

Everyone is on notice, I would like to strike all of the ''whereases'' because that is poppycock. We do not all have to be worried about 2042, today, as we go into Iraq. We ought to cut out the playing of games and get serious around here that we are running the economy into the ground.

I yield back the remainder of my time and I ask that I be able to call the amendment at the proper time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. CONRAD. Mr. President, the manager has the right of recognition.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I hope we have an understanding from the Chair that the managers have the first right of recognition here or we will have a real problem.

The PRESIDING OFFICER. The Chair recognizes the Senator's right.

Mr. CONRAD. The Senators from South Carolina, in describing the problem, are correct. The problem with Social Security is severe. The Social Security trust fund is currently running surpluses. But we all know it is then going to turn to cash deficits. Those are going to become very large cash deficits. This is like falling off the cliff. This is the Social Security Administration's outlook for the Social Security trust fund.

Why is that? Very simply, the baby boom generation will start to retire. They are alive today. They are eligible for Social Security. When they start drawing Social Security, there will be 77 million, about double the number eligible now. When that occurs, we will have a very serious problem on our hands.

The Senator from South Carolina who offers the amendment has correctly described the problem, but he is not dealing with the budget resolution before the Senate. It exacerbates the problem severely.

This chart shows the Social Security and Medicare trust funds. The green bar is the Social Security trust fund; the red bars are the President's tax cuts, both enacted and proposed. One can see very clearly as the Social Security trust fund is running surpluses, the size of the President's tax cut proposals are growing. At the very time the Social Security trust fund turns cash negative, the cost of the President's tax cuts explode.

The result of this is a totally unsustainable plunge into deficits and debt. That is the fundamental problem

with the budget resolution before the Senate; it is the fundamental problem with the President's budget before the Senate.

The budget before the Senate takes out of the Social Security trust fund nearly all of the surpluses over the next 10 years. Social Security will run surpluses over the next 10 years of $2.718 trillion. The mark before us by the chairman takes $2.718 billion of those surpluses and uses it for other purposes, uses it to fund tax cuts, uses it to fund other expenditures.

The Senator from South Carolina said that is not an appropriate way to proceed. I agree. I hope he will consider opposing the budget resolution on that basis.

However, the Senator from South Carolina is also correct to say even if we do not do this, even if we do not raid the Social Security trust fund surplus, we still have a problem. This is a necessary step to stop this raid, but it is not sufficient. It is necessary because if instead of taking these funds and using it for other purposes we were to use that money to pay down debt or to prepay the liability, we would be in a less severe circumstance going forward.

The Senator from South Carolina, who offered the amendment, has referenced a $25 trillion shortfall in Social Security; that is, if you take each year and accumulate it over time. The net present value of those gaps between income and outgo for Social Security is not $25 trillion. The net present value is $3.5 trillion. Yet the President is proposing a tax cut with interest costs of $1.96 trillion, even though we are already in deficit.

Both Senators from South Carolina have revealed the flaw in this budget. We have record deficits now. The President proposes cutting taxes almost $2 trillion with the interest costs included. The result is we are taking virtually every penny—under the President's budget, every penny of the Social Security surplus over the decade, right on the eve of the retirement of the baby boom generation. I remind my colleagues, what earthly sense does this make? At the very time the cost of the Government explodes with the retirement of the baby boom generation, the costs of the President's tax cuts explode, driving us deep, deep into deficits and debt.

I hope this budget resolution falls on the basis that it puts us in a circumstance of ever mounting deficits and debt right at the time the baby boom generation retires.

If there has ever been an illogical, irrational, dangerous budget, this is it. To me, this is it. We are about to make fateful decisions we are going to be living with for a long time. Nobody should be under any illusion about where this is headed. This is headed right off the cliff.

We can either together find some way to restrain both our spending impulses and our tax-cutting impulses or we can wage what we have waged so far, which is a rush to deficits and debt.

It will be a sad day when we wake up from this hangover and from this binge of tax cutting and spending that can only lead one place, and that is to shredding of Social Security and Medicare and most of the rest of Government as we know it.

We have worked with the Senator from South Carolina to try to reach an agreement. I don't know if those modifications have been agreed to. If they have, we are prepared to accept them.

I think Senator CRAIG is perhaps waiting to speak on this matter so I withhold going further. Perhaps the Senator from South Carolina would like to speak further. I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM of South Carolina. Mr. President, I compliment the Senator. I thought that was a fairly eloquent rendition of where we find ourselves. But I would like to add to it and respond to my good friend, really, the senior Senator from South Carolina. If anyone has earned that title, Senator HOLLINGS has. He is the senior Senator from South Carolina.

But there is a difference between what the Senator from North Dakota and the senior Senator from South Carolina were saying that I think is important.

The purpose in my offering this sense-of-the-Senate amendment is to take facts that have been reported by the Social Security Administration and make them part of this year's roadmap when we decide what to do to get through the budget process this year and to remind the Senate and get the Senate to focus on the short- and long-term problems our Nation faces.

''Poppycock.'' I don't know what it means, but it is often used by my good friend from South Carolina, the senior Senator. It sounds good. Everything he says is intriguing to me, just by his speaking style. But I do want to respond to the gist of what he was saying. The sham and the fraud which I think has been going on, which has been going on for years, is to suggest there is an easy solution. It is to suggest if you just left Social Security alone, didn't use it for tax cuts or didn't use it for spending, everything would be OK. My senior Senator doesn't want to talk about 2042. I do. The reason I want to talk about 2018 and 2042 is I believe the reason I am here today is to pass on to the next generation a country very sound and very fit. If we do not address the problem of having two workers for every retiree, versus 16.5 when I was born, then we are going to fail and commit political malpractice.

I think it is political malpractice to suggest that if you just let Social Security alone, the problem will go away. Here is what the Social Security trustees said about that solution:

The implementation of a Social Security lockbox would not alter this commitment and thus would have no direct effect on the future solvency of Social Security.

As to the Senator from North Dakota, he is telling us, telling me, that now is not the time to cut taxes because of a variety of reasons, and one would be it will put pressure on the Social Security trust fund beyond the pressure that exists today.

People on my side would say that additional spending in the past, when the Democrats were in control, took money out of Social Security to put pressure on the trust fund.

The point is, the current income stream, diverted or not, is not going to save Social Security. We are going to have a $25 trillion shortfall in 75 years. And it does compound on itself. That is the point. The Senator from North Dakota is right. Every day, literally, that we ignore the problem of Social Security, it gets worse by billions. The unfunded liability has grown dramatically as we have been talking, and nobody is going to fix it except people such as us.

Here is why I will support the tax cut. One thing that is for sure, there are two Senators from South Carolina and we are going to cancel each other's vote a lot on taxes. He has his reasons and I have mine. The reason I will vote to cut your taxes is to stimulate the economy.

Where does Social Security money come from? What is the source of Social Security dollars? It is payroll taxes.

Well, who pays payroll taxes? People working.

How do you get a job? Somebody hires you.

How do they pay you? They make a profit.

The economy needs infusion, in my opinion. But I respect the Senator from North Dakota tremendously because he is saying let's put no pressure on Social Security, let's not have a tax cut. I respectfully disagree. I believe a tax cut will help stimulate the economy, making the economy and payroll taxes stronger, not weaker. But I respect him tremendously because he has bought into the big picture. We disagree about what to do today. We may disagree about spending plans tomorrow. But the Senator from North Dakota has bought into the big picture. He understands what faces our Nation.

As we argue about how to fix problems each year with the trust fund, I encourage him to work with me and others to come up with an overall solution that will hit the problem head on. This is a cancer that needs to be treated—and not with a Band-Aid. The problem we are facing as a Nation is we would not have enough money coming into the system, if it was all dedicated, to come close to paying benefits. In 2042—I will mention that date again—28 percent reduction in benefits; 2018, you pay more benefits in taxes. Every day we talk about it, it gets worse.

Having said that, I do believe the Senator from North Dakota and myself

will be able to work on a compromise that reflects accurately the facts facing the trust fund, the problem the Nation faces, and we will disagree about this year's budget and how to have a tax cut or not. But I do wish to work with him in the future because I believe he has got it. I believe he understands it.

With that, I will yield 10 minutes to my colleague, Senator CRAIG, from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 10 minutes.

Mr. CRAIG. Mr. President, I first ask unanimous consent I become a cosponsor of amendment No. 274.

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

Mr. CRAIG. Mr. President, I am pleased to join with the senior Senator from South Carolina on a sense-of-the-Senate amendment expressing that Congress well ought to act sooner rather than later in strengthening our Social Security Program for the long term, for the young men and women today who are beginning to invest in the system and who have grown increasingly to believe it will be unreliable and not there when they get to be of Social Security age.

Why? The statistics have been talked about this morning, but here we are again. Year after year, trustee report after trustee report has been played out, spoken to, shown on the floor of the Senate. Hearings after hearings, month after month in our committee rooms, have given us the same message. Whether it is the junior or senior Senator from South Carolina, they both agree on the outcome. They may disagree on the reasons, but the trustees are always reflecting the graph or the chart that is so effectively displayed here. This comes directly from the Social Security trustee report of 2002 that we are speaking to this morning.

Current retirees and those approaching retirement age are going to get their money. Why? Because Social Security in that sense is solvent. But what we are concerned about, and why we begin to express a degree of urgency about reform for Social Security, is that you do not reform Social Security today for tomorrow, you reform it today for 40 years down the road, or 50 years down the road. It is like an insurance account. We are the board of trustees responsible for establishing and sustaining its actuarial soundness so we do not have to dump large sums of general fund money into it at the last minute to keep it whole.

I think all of us agree with the general understanding and the overlook that the trustees and the studies have shown. Social Security is solid today for our seniors. I am chairman of the Special Committee on Aging. We have spent a lot of time looking at this issue. Some folks take umbrage when they hear that Social Security will be broke. I don't know of anything that would express it differently than this bright red ink that would suggest at about 2020 it breaks beyond the black ink, or the break-even, and it heads into deficit. That is exactly what the junior Senator from South Carolina is talking about and what I am talking about.

Last month, Alan Greenspan of the Federal Reserve was before our Subcommittee on Aging. He was not there to talk about interest rates. He was there to talk about global aging. He testified that the country faced ''abrupt and painful'' adjustments down the road as related to Social Security if we do not address it sooner rather than later.

He simply meant that baby boomers were going to get cut. In essence, this is what is going to happen: I am a baby boomer. I am afraid my grandkids are going to say to me: Grandpa, we can't afford you anymore. We can't afford a huge bump in our taxes just to pay for your well-being.

And I would not blame them, when we look at the kind of tax scale that will result if you stand here and say there is nothing required now and in the future to deal with this red ink, except leave the trust fund alone, and that in some magical, mythical way you can take it out of the general fund of the Treasury of the United States, and that you don't spend it, or at least you don't borrow it back to Government to spend on other programs until such time as it is necessary and on call and Government can afford to pay for it.

Those are the issues at hand. That is what this resolution is about, to push us forward and into action in the near future, to make the kinds of adjustments that will assure my grandchildren that Social Security is going to be there for them and that grandpa isn't going to break them by demanding they keep Social Security whole, because he did not have the common sense and the good judgment to deal with it in the appropriate fashion.

I hope I do have that common sense and good judgment. Certainly, the group that has been looking at it and the group that reports and talks about insolvency down the road and the need to adjust are doing a great service to this country.

Last November, Peter Fisher, the Under Secretary of Treasury for Domestic Finance, compared the unfunded promises in Social Security and Medicare to those of a spendthrift insurance company unable to make good on its promises.

When I asked Alan Greenspan, well, let's compare Social Security and Medicare and fixing it, he said: Frankly, Social Security is not that difficult. Why? Because you have real figures and exact numbers in a relative sense. You have demographic studies that project the number of people who will come online, and you can make the adjustments for it.

Medicare is tied to a very dynamic health care system. It is growing and changing, and its costs will grow and change. It is a much more difficult task at hand, if you will, than that of us building up the backbone to deal with Social Security.

To his credit, our President appointed the blue-ribbon panel to explore ways of addressing this challenge. The President's bipartisan commission to strengthen Social Security was co-chaired by former Senator Pat Moynihan, our colleague and former Finance Committee chairman. He is an undisputed expert on Social Security, with unique bipartisan credibility.

Now the President's bipartisan commission has come forward with three models to strengthen Social Security. Many of us are studying those models to determine what is the best way to reform not the politically possible, because we are going to have to convince ourselves and the public about reform—and that is what we are about to do, I hope—but what is the right way to reform Social Security, to create the dynamics 30 or 40 years down the road, to assure that young people who are now beginning to invest in it with their hard-earned tax dollars—their withheld dollars from their payroll—to assure that it will be there for them.

This week, the trustees have done their job, and they have done it well. They have talked about it, and they have determined a status quo or do-nothing plan versus a variety of others. The do-nothing plan is what the trustees laid before us on Monday. And the do-nothing plan is the plan represented right here, in all of the bright red ink that is either displayed by my chart or by the chart of the Senator from North Dakota. I think my chart is prettier, but the charts are the same. Democrat or Republican, the figures don't lie, and we can't lie about them.

We both agree that herein lies the problem. A dynamic economy—people working softens it, and that is what this tax cut is about, getting people back to work, putting money in the market, creating jobs. We are going to have to tighten our belt a little bit on the other side. We are going to have to quit spending at the rate we are spending while we are stimulating the economy and putting people back to work. That helps the bottom line and softens the deficit a little bit.

But most economists agree, if you do not give a tax cut, and you continue to spend at the rate you are spending, you are going to have deficits for a long time to come. You can't cut your way out of them. You have to grow the economy and put some money back in the Treasury, and in doing that, for the short term, you strengthen Social Security.

But this is what is true about the long term, and in the long term are people like me at 55, 50, 57 years of age. I am 57. And in a short time we are coming online—62, 65, 67 years of age, eligible for Social Security, being part of that baby boom generation, that tidal wave of people hitting the Social Security system.

The Senator from North Dakota talked about the doubling of the numbers of recipients. That is what this red ink is all about. We need to create dynamics in the system, and change it, and assure that the right kind of investment is going in, that the right kind of energy and multipliers are at work there, to assure that not only is the system going to be there in the long term for me, but, most importantly, that the system is going to be there for the young people who are investing in it today.

I am not alone in condemning the do-nothing plan.

The PRESIDING OFFICER. The Chair wants to inform the Senator he has used 10 minutes.

Mr. GRAHAM of South Carolina. If the Senator would like additional time——

Mr. CRAIG. If I could have an additional 2 minutes to wrap up.

The PRESIDING OFFICER. The Senator may continue.

Mr. CRAIG. Mr. President, I thank the Senator for yielding me the time.

Whether it is former Senator Bob Kerrey, Democrat from Nebraska, whether it is former Senator Pat Moynihan, Democrat from New York, whether it is Republican LARRY CRAIG of Idaho or Republican LINDSEY GRAHAM of South Carolina, the reality is, we all understand we must act now, sooner rather than later, to recreate, strengthen, and ensure the future for a Social Security system that is good for my grandkids to put their money in, that is a sound investment that will yield for them a reasonable supplemental income in their retirement years.

I am not alone in condemning the do-nothing plan. Our former colleague, Senator Bob Kerrey, from Nebraska wrote a letter to another former colleague, Senator Daniel Patrick Moynihan, from New York, on the eve of his assuming the cochairmanship of the President's Commission to Strengthen Social Security. He wrote:

> Dear Pat, In that I have a great and abiding interest in your success on the 2001 Social Security Commission and that I am willing to provide free advice, I offer the following two suggestions:
>
> 1. Start talking about the details of the most popular plan in Washington to fix Social Security. . . . It is called the do-nothing plan. The do-nothing plan discloses no details. . . . Citizens who want to know the rest of the details must look to the Social Security Trustees who will tell them this: The do-nothing plan proposes to cut benefits 25 to 33 percent by 2043.
>
> 2. Wealth should have a goal. . . . Our goal is to eliminate poverty amongst eligible Social Security beneficiaries. By the way, the do-nothing plan will increase poverty rates.

For every year we delay strengthening Social Security, it will only become more difficult to do.

The challenge calling out to this generation in Congress is how to sustain Social Security beyond this generation of retirees without overburdening our children and grandchildren with excessive taxes on their labor or huge cuts in retirement income.

It is not too late. We can still do the right thing. We can save Social Security by embracing the framework provided by the President's Commission and working to strengthen it soon.

David Walker, the Comptroller at the General Accounting Office, testified just this January before the Aging Committee that we have:

> a, window of opportunity to craft a solution that will protect Social Security benefits for the nation's current and near-term retirees, while ensuring that the system will be there for future generations.

We should embrace that window of opportunity for the sake of our children and grandchildren.

As I said: Here we are again. The trustees are trying to get Congress and the public to face the future with confidence and action. The challenge for us is to respond.

That is why the Aging Committee has been and will be holding hearings and briefings this year. We will continue to highlight the work of the—nonpartisan and bipartisan—General Accounting Office, the President's Commission to Strengthen Social Security, the Congressional Research Service, the Congressional Budget Office, and the Social Security trustees.

The call to action begins with understanding what the trustees have told us again this week. The consequences of the do-nothing plan will be devastating for today's workers and tomorrow's retirees.

That is what the study was all about. That is what the commission has been about. That is what this amendment is all about.

I thank the Senator from South Carolina for bringing forward this concurrent resolution, urging us forward now, to begin to act. Hopefully, by 2004, 2005, or 2006, we will have developed the political will to do the right thing for the Social Security system and its future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina is recognized.

Mr. GRAHAM of South Carolina. Mr. President, if I may, to put a couple things in perspective as we close out the discussion on the amendment, No. 1, I have been able to reach accommodation with the Senator from North Dakota about the language of the amendment. I am willing to accept his changes. I think they are reasonable and helpful.

I encourage my colleagues, we can have disagreements about how to best protect the Social Security trust fund. We can have a debate that we should not cut taxes, that we should make sure that we do nothing in terms of spending or tax cuts that jeopardizes the dollars coming in. That is a legitimate, healthy debate. I believe the best way to protect the trust fund is to create additional jobs and grow the economy so we will have more payroll taxes coming in to shore up the trust fund.

The focus of the amendment is to clarify in this roadmap the status of Social Security, not based on what a Republican thinks or what a Democrat thinks. And here is the summary of that status.

No matter what happens with the current amount of money coming into the system, if it is all protected, or some of it is bled off, if every dollar were to be collected that is going to be paid, it is $25 trillion short to pay bills in the next 75 years. And in 2042, you would have to cut 28 percent of the benefit package or increase taxes by 50 percent. In 2018, you would pay more in benefits than you collect in taxes. Why is that? The amount of money to be dedicated to this system, if it is all left alone, is nowhere near the amount of money to pay the benefits. It is no one's fault. It is not Senator HOLLINGS' fault, and it is not my fault. The problem is we went from 16.5 workers paying into the system in 1950 to 20 years from now having two to one. There are just not enough people paying taxes to take care of the baby boomers.

One thing I am trying to make crystal clear is, there is no easy fix. The demagoguery must stop now. Those who say a tax cut this year or a spending plan next year is the problem with Social Security are missing the boat and engaging in conduct that is going to prevent us from ever finding a solution that works.

My belief is that you grow the economy to help Social Security. The belief of the Senator from North Dakota is that you don't do anything to jeopardize the trust fund this year through a tax cut. I respect that. I just disagree.

I hope if there is a vote in any fashion on this amendment, that my colleagues would allow the product that the Senator from North Dakota and I have come up with to be part of the record because it is vitally important that the Senate incorporate information from the Social Security trustees that tells us exactly the future of Social Security and its status so that there will be something we can agree on and we can start working toward a solution sooner rather than later. If we can't agree on the basis, if we can't put into the budget resolution what the Social Security trustees are telling us about the status of the fund in 2018 and 2042 and the structural problems, if we can't do that because somebody wants to make a point about the tax cuts for political advantage, how in the world are we ever going to solve this problem?

I hope the Senate will overcome the temptation to kind of punch and counterpunch on the debate about taxes or any other debate and put in the record the real facts about Social Security, a record that has been established between myself and the Senator from North Dakota. It would be a great day, a small step forward to finally come to grips with the problems that Social Security faces.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I must say, when I hear the suggestion that cutting taxes now won't affect Social Security in the future, that is no economics that I understand.

Just so we all understand how it works, all the revenue of the Federal Government goes in a pot. All the expenditures come out of that pot. That is the way it works. When you take revenue away from that revenue stream and you already can't pay your bills, guess what. You can't pay your bills in an even more serious way. Any family's economics would tell them that if you are not able to pay your bills now and you go out and cut your income more, you have more bills you can't pay. That is what our friends on the other side are trying to convince people of. I don't think that is going to work.

This is the hard reality of the budget before us. There is over $2.7 trillion of Social Security surplus available in the next 10 years. I believe we ought to take that money and either pay down debt or prepay the liability. That would strengthen Social Security.

The other side has offered a budget that takes virtually every penny of those Social Security surpluses and uses them to pay for tax cuts or other expenditures. That does not help Social Security. That hurts Social Security. That makes the shortfall more serious going forward because we have not taken the resources, those trust fund surpluses, and used it to either pay down debt or prepay the liability.

The other side tries to posture that one side wants to do nothing; the other side wants to do something about economic growth. No. No, I don't believe their program improves economic growth. Why not? Because the tax cuts are not paid for by reducing spending. The tax cuts are paid for by borrowing. You can't borrow your way to prosperity.

Here is the work of the macroeconomic advisers. These are people under contract to the White House and under contract to the Congressional Budget Office to tell us what the effect of various fiscal policies are on economic growth. Do you know what they tell us? If we enact the President's plan, it will actually hurt long-term economic growth. It will hurt economic growth. Why? Because of increased deficits and debt that put a weight on the economy. What is that weight? When you run deficits and debt, that reduces the pool of societal savings, that reduces the money available for investment. That hurts economic growth. That is exactly what the folks who have analyzed this have concluded.

Is the Senator from South Carolina seeking time?

Mr. HOLLINGS. Yes.

Mr. CONRAD. I yield 10 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, right to the point, when the distinguished Senator from Idaho was talking about growing out to it, I ask unanimous consent to print page 6 of the budget resolution before us in the RECORD at this particular point.

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

Fiscal year 2012: – $327,375,000,000.
Fiscal year 2013: – $317,115,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 2003: $6,687,816,000,000.
Fiscal year 2004: $7,269,629,000,000.
Fiscal year 2005: $7,825,005,000,000.
Fiscal year 2006: $8,366,224,000,000.
Fiscal year 2007: $8,885,256,000,000.
Fiscal year 2008: $9,412,708,000,000.
Fiscal year 2009: $9,932,454,000,000.
Fiscal year 2010: $10,443,080,000,000.
Fiscal year 2011: $10,971,657,000,000.
Fiscal year 2012: $11,449,831,000,000.
Fiscal year 2013: $11,919,328,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of the debt held by the public are as follows:

Fiscal year 2003: $3,858,449,000,000.
Fiscal year 2004: $4,184,748,000,000.
Fiscal year 2005: $4,446,730,000,000.
Fiscal year 2006: $4,661,214,000,000.
Fiscal year 2007: $4,828,626,000,000.
Fiscal year 2008: $4,980,020,000,000.
Fiscal year 2009: $5,101,852,000,000.
Fiscal year 2010: $5,190,541,000,000.

Mr. HOLLINGS. On page 6 you will see that the appropriate levels of the public debt are as follows: Fiscal year 2003, $6,687,816,000,000, but for the fiscal year 2013, the public debt is $11,919,328,000,000. So it is an increase of $5.2 trillion. Good gosh, I said ''trillion.'' I was hoping to say ''billion.'' The debt goes up, up, and away. Well, we know what the interest cost is going to be on that. That is going to be in excess of $600 or $700 billion a year. We just can't afford that.

Let me say to the distinguished colleague from South Carolina, again, I was here in the 1970s. I was here in the 1980s. We didn't spend the Social Security trust fund, but we were beginning to drain it at the very end of the 1970s. And we appointed the Greenspan commission, and the Greenspan commission put on a graduated increase in taxes over the years to take care of the baby boomers in the next generation, exactly what my colleague from South Carolina is talking about. We foresaw that. It was supposed to build up these reserves and surpluses. That is exactly what has occurred.

I refer, since it is already in the record, to page 4 of the annual report of the Social Security trust fund that was issued on Monday.

It shows at the end of 2002, we had assets in the Social Security trust of $1.378 trillion. Of course, they have been spending the money on any and everything but Social Security. You can propose plan A, and plan B. You can talk about 2018 and 2042 and all those other funny little things until you are blue in the face. But unless and until you stop spending Social Security moneys on everything but Social Security, none of those plans is going to work—whether you privatize or not. That is why the Congress, under the leadership of President George Herbert Walker Bush, in November of 1990, wrote into law section 13301.

I want to put Section 13301 into the amendment to make it crystal clear. I don't mind some of the whereases—and I understand the Senator from North Dakota wants to try to move things along and accommodate my colleague from South Carolina in taking a sense of the Senate. But there is no way in the world to make that a bill because there is no way to write it. You have to provide what the budget impact is, and everything else like that, and have it appraised. So it remains as a sense of the Senate at the desk. So that we can clear the air from this particular sham, I raise a point of order under section 305 of the Budget Act that sense-of-the-Senate resolutions are nongermane.

The PRESIDING OFFICER. A point of order is not in order at this time. It can only be made when the time of the amendment has been used or yielded back.

Mr. HOLLINGS. Very good. I yield the floor. I think I have made my point. I ask the Chair, is it still a sense-of-the-Senate resolution? What is the form?

The PRESIDING OFFICER. It is a sense-of-the-Senate amendment.

Mr. HOLLINGS. A sense-of-the-Senate amendment. Right, mine would be the sense of the Senate. So I don't know—may I ask unanimous consent, then, to be recognized at the end, not to make a point of order?

I ask unanimous consent that when the time expires, I may be recognized to have considered the amendment, or voted on the amendment that I have at the desk.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM of South Carolina. Mr. President, reserving the right to object, I believe an effort is being made between my office and Senator HOLLINGS' to work something out we can all live with. I ask him to take that into consideration. There are negotiations going on as we speak.

Mr. HOLLINGS. Do you object?

The PRESIDING OFFICER. Does the Senator object?

Mr. GRAHAM of South Carolina. No, I do not object.

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

The Senator from South Carolina is recognized.

Mr. GRAHAM of South Carolina. Mr. President, simply put, a couple things: My senior Senator seems to suggest we did something in the 1980s that has made Social Security sound. Social Security has surpluses today, but every day that goes by, those surpluses are not enough to pay the bills that are due and yet to come. Here is what the Social Security Administration told us yesterday: There are 3.3 workers to every retiree in 2002. Twenty years

from now, it goes 2 to 1. They told us yesterday that without structural reform—I emphasize again, structural reform does not include leaving Social Security current dollars alone. If you leave every dollar owed to Social Security alone and do nothing else, it still runs out of money in 2042. It is $25 trillion short in 2075. That is not the problem. People who say that are not being forthright about the problem.

Having said that, I join my colleague from South Carolina and the Senator from North Dakota to try to make sure we preserve Social Security, keep it strong and healthy until we can find a structural reform. He has made an argument that cutting taxes reduces the family's income. The point is that payroll taxes are the income for Social Security. We are in a depressed economy right now.

We are trying—at least I am trying—to take some dollars and invest them back into the families and businesses of America, to create additional jobs, to strengthen the revenue flow, and to protect the revenue flow of Social Security.

My friend from North Dakota doesn't believe it will work. I totally respect him. But it is very difficult to be lectured to by some of my friends on the other side of the aisle about needing to be good stewards with taxpayer dollars. I came to Congress in 1994. When I came here, there were deficits as far as the eye could see. We had not balanced the budget in 30 years. We were able to balance the budget and cut taxes twice. Now, because of war, recession, and other problems, we have a debt. The debt, compared to the gross domestic product, is very small as compared to years past. But it is still a debt, and it is a real problem, and we need to work together to solve that debt, and we will.

I am asking my colleagues today, whatever you think about the tax cut, or other proposals that my party may present today or tomorrow, please do not prevent us from having in the RECORD for the country to see the true state of affairs with Social Security. My amendment doesn't fix the problem; it identifies it. I have been able to work with the Senator from North Dakota to put it into the RECORD. Today could be a good day—a day that the Senate agrees on the outyear problems of Social Security and begins to define it in a nonpartisan way or today could be the same old politics, where the political moment prevents us from talking honestly and openly about the looming problem of Social Security.

I am hopeful this will be a different day because, if not, we have lost the opportunity to do something constructive to fix Social Security. I appreciate the Senator from North Dakota working with me. I hope I can reach an agreement with my senior Senator from South Carolina to define the problem in honest terms, without anybody putting their spin on it, because the wording comes from the Social Security Administration. If I fail, I deeply regret the fact that I was not able to achieve this small first step. I am hopeful that, working together, we can achieve this small first step. That is all I know to say.

This is a great exercise in what this country faces. I am trying to use the Social Security trustees' report to define the problem. I don't want the demagoguery of the moment to keep us from doing that, because the country loses in the debate of the moment. There are honest differences. Let's do something constructive and define the problem in the terms given by the Social Security trustees.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, has the Senator from South Carolina now seen the modification suggested by the senior Senator from South Carolina? Is the Senator from South Carolina, at this point, willing to accept the modifications we previously discussed, as well as the modification of the senior Senator from South Carolina?

Mr. GRAHAM of South Carolina. After having reviewed the documents, I am willing to agree to the modifications as offered by my senior Senator and the modification offered by the Senator from North Dakota. I am willing to do that. I think it is a good first step.

Mr. CONRAD. I appreciate that and I think that would be a good outcome. I will soon seek unanimous consent to accept the amendment as modified, and then we will be able to proceed. As you know, at 2 o'clock, we have to turn our attention back to the ANWR discussion.

Mr. REID. Will the Senator yield for a question?

Mr. CONRAD. Yes, without losing my right to the floor. We are up against the 2 o'clock time limit.

Mr. REID. I would like to get this amendment accepted.

Mr. CONRAD. Would the Senator from South Carolina, including his modification, accept that?

Mr. HOLLINGS. That would be acceptable.

AMENDMENT NO. 274, AS MODIFIED

Mr. CONRAD. Madam President, I ask unanimous consent that we accept the amendment of the Senator from South Carolina, as modified.

The PRESIDING OFFICER (Mrs. DOLE). The Senator has a right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

On page 79, after line 22, add the following:

SEC. 308. SOCIAL SECURITY RESTRUCTURING.

(a) FINDINGS.—The Senate finds that—

(1) Social Security is the foundation of retirement income for most Americans;

(2) preserving and strengthening the long term viability of Social Security is a vital national priority and is essential for the retirement security of today's working Americans, current and future retirees, and their families;

(3) Social Security faces significant fiscal and demographic pressures;

(4) the nonpartisan Office of the Chief Actuary at the Social Security Administration reports that—

(A) the number of workers paying taxes to support each Social Security beneficiary has dropped from 16.5 in 1950 to 3.3 in 2002;

(B) within a generation there will be only 2 workers to support each retiree, which will substantially increase the financial burden on American workers;

(C) without structural reform, the Social Security system, beginning in 2018, will pay out more in benefits than it will collect in taxes;

(D) without structural reform, the Social Security trust fund will be exhausted in 2042, and Social Security tax revenue in 2042 will only cover 73 percent of promised benefits, and will decrease to 65 percent by 2077;

(E) without structural reform, future Congresses may have to raise payroll taxes 50 percent over the next 75 years to pay full benefits on time, resulting in payroll tax rates of as much as 16.9 percent by 2042 and 18.9 percent by 2077;

(F) without structural reform, Social Security's total cash shortfall over the next 75 years is estimated to be more than $25,000,000,000,000 in constant 2003 dollars or $3,500,000,000 measured in present value terms;

(G) absent structural reforms, spending on Social Security will increase from 4.4 percent of gross domestic product in 2003 to 7.0 percent in 2077; and

(5) the Congressional Budget Office, the General Accounting Office, the Congressional Research Service, the Chairman of the Federal Reserve Board, and the President's Commission to Strengthen Social Security have all warned that failure to enact fiscally responsible Social Security reform quickly will result in 1 or more of the following:

(A) Higher tax rates.

(B) Lower Social Security benefit levels.

(C) Increased Federal debt or less spending on other federal programs.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the President, the Congress and the American people including seniors, workers, women, minorities, and disabled persons should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system; and

(2) Social Security reform—

(A) must protect current and near retirees from any changes to Social Security benefits;

(B) must reduce the pressure on future taxpayers and on other budgetary priorities;

(C) must provide benefit levels that adequately reflect individual contributions to the Social Security system.

(D) must preserve and strengthen the safety net for vulnerable populations including the disabled and survivors.

(3) We should honor section 13301 of the Budget Enforcement Act of 1990.

The PRESIDING OFFICER. Will the Senators yield back their time on the amendment?

Mr. CONRAD. Yes, we are prepared to yield back.

The PRESIDING OFFICER. Time is yielded back. The question is on agreeing to amendment No. 274, as modified.

Without objection, the amendment, as modified, is agreed to.

The amendment (No. 274), as modified, was agreed to.

Mr. HOLLINGS. Madam President, the agreement we had that I be recognized now should be vitiated. It is not necessary.

The PRESIDING OFFICER. That is vitiated by this action.

AMENDMENT NO. 272

Mr. CONRAD. Parliamentary inquiry: Are we now in the circumstance that we are back on the debate on ANWR for 1 hour preceding the vote at 3 o'clock?

The PRESIDING OFFICER. The Senator is correct. Who yields time?

Mr. CONRAD. Time is equally divided during that time?

The PRESIDING OFFICER. The Senator is correct.

Mr. CONRAD. I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Alaska.

Mr. STEVENS. Madam President, I believe we have an hour equally divided at this time.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Madam President, I yield such time as my colleague from Alaska, Senator MURKOWSKI, desires. Does she need 10 or 12 minutes?

Ms. MURKOWSKI. Ten minutes.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURKOWSKI. I thank the Chair. Madam President, the discussion about ANWR is more than just pictures. It is more than statistics, numbers, and barrels of oil that might be recoverable. ANWR is about real people, real jobs, and real opportunities, and that is what we need to be focusing on. We do not need to get caught up in the hype of the pretty pictures. I will be the first to tell you that my State is absolutely drop-dead gorgeous, and I want to keep it that way. I would not be supporting anything, and I would not be standing on the floor of the Senate suggesting that we should do anything to despoil that.

I want to talk briefly today about three points and what ANWR means to us in Alaska. It is jobs, it is protection of the environment, and it is also about economic security—three commonsense, basic issues.

Let me talk quickly about the environment because it is these attacks that I think first and foremost have kept ANWR from being developed for the past 20-some years, all the concern of the development of oil and gas reserves on the North Slope, on the Coastal Plain. It was intended and identified as early as 1960 by President Eisenhower that this area had great potential for oil exploration and drilling and should be utilized as such.

We do care for the environment. We have shown that through construction of our 800-mile Trans-Alaska pipeline that carries the oil safely, bisecting the State from top to bottom. We have done a darn good job, and the scientific studies and reports, including the National Academy of Sciences' report that came out 2 weeks ago, demonstrate that. We do a good job. We care for our environment in Alaska.

The environment and development are not mutually exclusive terms. We have demonstrated time and again that they are not mutually exclusive. For those who will take the time to visit our oilfields up North, I think they will be amazed at the technology, the innovation we utilize when it comes to the extraction of our natural resources.

The good Senator from New Mexico stood in this Chamber earlier and talked about the directional drilling and the technique that is now available to develop our oil. I think he used the number 4 miles; that we can snake this oil well down across a 4-mile area of terrain. He used the analogy of a child with a straw and a milkshake and that straw could go 4 miles. That is a pretty vivid image. Actually, the good chairman of the Energy Committee is incorrect; we can actually go 6 miles. The technology has come so far in the 30 years since we have been drilling on the North Slope.

We talk about the footprint. The footprint has been described in so many ways. You can fit six of the oil development areas in the size of Dulles Airport. It is the size of the Pinehurst golf course. The visuals are there, but what we need to impress upon people, what we have to impress upon people is that the footprint is practically negligible in the context of the whole Coastal Plain and certainly in the context of the whole of ANWR and even more certainly in the context of the entire scope of our State.

What we are talking about, first of all, is very small. But even if it is small, we still need to do it responsibly, and we do that through the technology. The State of Alaska is the first to make sure the environmental standards are met and the permitting requirements are met. Nobody wants to rape, spoil, or ruin the land.

Madam President, I am third generation Alaskan. I am the first person serving in Congress for the State of Alaska who was actually born in the State. I was born in the territory. I am the last person to suggest we should do anything that would spoil our environment, my environment, the environment in which I choose to raise my family. My boys, my husband, and I live for fishing, hunting, camping, and backpacking. This is the part of Alaska we want to preserve. So let us do it right. We know how to do it right.

I will talk a bit about the jobs. We have talked about jobs repeatedly on this floor. Last night, we demonstrated through the testimony and the charts that we are talking about some 575,000 jobs across the country. We need to remember that when I talk about jobs, I do not want people to think that Alaska is interested in opening up ANWR just because it means jobs and opportunity for my constituents, for the people in my State. It does. It means that, and it means more. It means roads, hospitals, schools, and facilities. It enables people in my State to live, but it also means jobs across America.

As I said, this means 575,000 jobs across the country. If we look at the numbers, they are all over the board: The State of New Jersey, 178,000 jobs; the State of Pennsylvania, 27,000; the State of Ohio, 25,000; the State of Kentucky, 10,000; the State of Texas, 47,000; the State of California, 63,000 jobs. We are talking about real jobs for real Americans across the country.

We are considering the economic stimulus package that the President has put forth. There is no better economic stimulus than jobs and job opportunity. We can provide that for America through ANWR, and they are good-paying jobs.

I made the point last night—and it is compelling—that the job opportunities right now for Alaska are approximately 11,000 jobs within the petroleum industry. If we were to accept this amendment, if we were to strip ANWR from the budget resolution, what these other States would be saying is that it is OK for us to have petroleum-based jobs in our States but, Alaska, we do not want you to have any more. We are cutting you off. In other words, Massachusetts could keep its 20,000 petroleum-based jobs, New Jersey could keep its 27,000 petroleum industry jobs, and New York could keep its 37,000 petroleum industry jobs, while Alaskans should look for alternatives.

The impression I get as an Alaskan, looking from the inside out, is that the lower 48 would just as soon lock us up, not allow us to have good-paying jobs that will feed our families and allow us to live in the State we want to live.

But, no, the jobs we should have are jobs such as carrying the bags for the tourists who come to our State. Yes, we want tourism but we also want real jobs, and these petroleum-based jobs are jobs that are real for Alaskans.

It is one thing if the residents of the State of Alaska said we do not want this and Congress was trying to shove it down their throats, but Alaskans have said yes. We have said we will accept responsible oil development and production in our backyard. We will take it, and we will do it responsibly. We promise we will be responsible.

This gets to my last point, which is economic security and basically plain old common sense. There is kind of an 800-pound gorilla sitting in the Chamber now. We are literally at the brink of war. We do not know what is going to happen in Iraq. We do not know if Saddam Hussein is going to torch the oil fields. We have no idea. What we do know is that in the past several months, we have increased our imported oil from Iraq. We have doubled our imports from Iraq in the past couple of months. We have sent billions of dollars to Iraq. I am not quite sure how the paper trail goes, but I do not think it is too farfetched to assume that we send billions of dollars to Iraq to Saddam Hussein, who in turn sells us the oil that we place in our aircraft or our

air carriers and we send our men and our women over to defend no-fly zones, to put them in harm's way, when we could be producing domestically. If that does not keep us awake at night, I do not know what will. It does not make sense at this point in time.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. MURKOWSKI. I ask for an additional minute.

Mr. STEVENS. One additional minute.

The PRESIDING OFFICER. The Senator may continue.

Ms. MURKOWSKI. I have placed on each Member's desk a copy of Review & Outlook from the Wall Street Journal that ran this morning. I urge each Member to review that, because it does speak exactly to the issue I addressed.

I conclude by reminding members of some very pertinent facts. ANWR has more oil in it than the State of Texas. These are not made-up facts. This is Department of Interior, USGS. This is not insignificant quantities we are dealing with.

The PRESIDING OFFICER. The Senator has used her minute.

Ms. MURKOWSKI. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mrs. BOXER. I yield myself 5 minutes.

I ask the Senator from Alaska, is it OK upon my completion of 5 minutes that Senator FEINGOLD address the Senate for 5 minutes, and then we would turn it back to the time of the Senator from Alaska? Is that all right with the Senator?

Mr. STEVENS. Yes.

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

Mrs. BOXER. Madam President, let's be clear. Ninety-five percent of Alaska's North Slope is open for drilling. That is a fact. We are talking about the last 5 percent. The debate is whether that should be opened as well.

Clearly, this is going to be a very close vote. I have great respect for the Senators from Alaska, but I would welcome it if they wanted to help preserve the environment in my State.

As far as jobs are concerned, there was a report done by the Joint Economic Committee on March 14, 2002. They issued a report that said there would be 65,000 jobs nationwide by 2020, an employment gain of less than one-tenth of 1 percent of the U.S. workforce, and CRS—that is the Congressional Research Service—Report No. R.S. 21030, October 1, 2001, said under the most likely scenario, full development in the Arctic would result in 60,000 jobs.

I am not one to say 60,000 jobs are no jobs—that is a lot of jobs—but the more than 2 million jobs we have seen go down the drain in the last 2 years, that is a bigger debate.

I also want to make the point that for those of us in California who defend and protect our coastline from oil companies every day of the week, we made a choice. Yes, we know there would be jobs developed there, but it would destroy that coastline and have the potential for horrific accidents and problems because we have experienced those.

So I say to my friends from Alaska, I hope they will understand the people in this country who support keeping this 5 percent of the North Slope in its pristine environment are doing so because we think it is good for the soul of this country, and we believe there are more jobs to be created through other means.

The reason I have this photograph—and it was challenged not by my colleagues from Alaska at all but by others—this is clearly in the development area—and also by Secretary Norton, who is quoted in the newspaper as saying the image of flat white nothingness is what one sees the majority of the year. This is the reason I felt compelled—and I was glad to see my colleague from Alaska say she agrees, it is magnificent, and I wish every Member could have the chance to take a look at this beautiful book, Arctic National Wildlife Refuge: Seasons of Life and Land. It is a photographic journey by this incredible photographer through all the seasons. Some of the most beautiful scenes are in the winter. I know my colleagues cannot see this, but it shows the birds and the snow and all the rest. It is quite beautiful.

I guess beauty is in the eye of the beholder. Maybe Secretary Norton looks at this and comes away with another point of view, and I respect that. I just do not happen to agree with it.

In April—I think it is April 10—there will be an exhibit opened at the Smithsonian on the Mall which will show these photographs, and more. So I hope people will take a chance to look at it, because it is quite breathtaking to see.

I want to reiterate that I printed in the RECORD last night a letter from the Alaska Inter-Tribal Council. They have asked me to make a point of this letter they have written, in which they say:

> We urge you to reject . . . any other proposals to authorize oil exploration and development of the birthplace and nursery of the Porcupine Caribou Herd, the coastal plain and the Arctic National Wildlife Refuge.

They talk about they support the Gwich'ins to seek permanent protection of the Arctic National Wildlife Refuge. I know the Gwich'in people are here. I also know there are other tribal people here as well, and I say that I have met with them many times and have been touched and moved with their testimony. They are very proud the Alaska Inter-Tribal Council that represents 187 tribes is with them, and they asked me specifically to put this letter into the RECORD.

Let me finish by saying the U.S. Fish and Wildlife Service has a beautiful Web site and they say on it:

> The Arctic refuge is among the most complete, pristine and undisturbed ecosystems on Earth . . . a combination of habitats, climate and geography unmatched by any other northern conservation area.

This is a quote from the U.S. Fish and Wildlife Service. This is very clearly the point of view of most people, and I hope that we would honor this God-given treasure today and vote to strip this language from the bill and take a stand in favor of keeping this area pristine.

I look forward to the remarks of Senator FEINGOLD.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Madam President, I rise today to support this amendment which is similar to one I offered in the Budget Committee. It would strike the reconciliation instruction to the Energy Committee contained in the budget resolution before us.

This instruction requires the Energy Committee to produce $2.15 billion by reporting out legislation by May 1, 2003, with the assumption that they open the coastal plain of the Arctic National Wildlife Refuge to oil drilling.

Management of the Arctic Refuge Coastal Plain has been hotly debated for many years. Some Senators, like myself, believe that this area should be designated as a Federal wilderness area. Other Senators believe that this area should be explored for its oil potential.

I support this amendment because I believe that the fate of the coastal plain of the Arctic refuge is a question of Federal National Wildlife Refuge management, not budgetary policy. If a Senator believes that oil reserves which may be located under the coastal plain are needed today, or 20 years from now, for reasons of enhancing this country's energy security, then the fate of the refuge is a question of energy policy, not budgetary policy.

No matter where a Senator might consider himself or herself in the discussion over the fate of the refuge, and this issue was debated at length during the Senate's consideration of the energy bill last year, no Senator has said that the primary reason to change the management of the refuge was because we just needed the revenue.

In fact, the chairman of the Budget Committee, Mr. NICKLES, again stated, when I offered my amendment in committee, that these instructions are included in the budget resolution because Arctic drilling is needed to stimulate the economy, create jobs, and produce oil, not for purposes of revenue.

I know there are strongly held views on this topic, and I do not intend here to go into all the reasons why I have concerns about the possibility of oil drilling in the refuge. Other Senators who join in offering this amendment will be making that case and making it effectively.

I feel that the fate of the coastal plain of the Arctic refuge is too important to become a number in the budget process.

I also think that, for several reasons, Senators who support drilling in the

refuge should support this amendment and object to using the budget resolution and reconciliation to achieve that goal.

As Senators know, debate on a reconciliation bill and all amendments, debatable motions, and appeals related to it is limited to a total of 20 hours. After 20 hours, debate ends. Consideration of amendments then may continue without any debate.

I am concerned that using a fast track procedure like reconciliation to open the refuge exposes the Senate to criticism that we are using the refuge revenues in part for tax cuts, or to authorize new spending programs.

Particularly, the Senate may be accused of dispensing refuge revenues in unrelated accounts to gain political support for refuge drilling. Our constituents may also be concerned that we will have to spend a great deal to implement a drilling program in the Arctic refuge because much of the infrastructure needed to bring oil from the refuge to the rest of the country does not exist today.

As well, I am concerned that some Senators are supporting drilling in the refuge because they feel that it can be done in an ''environmentally safe'' way or they feel that it should be done jointly with energy efficiency, oil savings, and alternative energy programs to reduce our dependence upon foreign oil.

Reconciliation limits the way in which Senators who are concerned about these issues, and who do not serve on the Energy Committee, are able to address those issues on the floor. ''It'' cuts it off. You cannot have a real debate about what should be done. It is simply a budget number.

The Congressional Budget Act explicitly prohibits the offering of nongermane amendments to a reconciliation bill. If a Senator felt that the Energy Committee's reconciliation bill opening the refuge did not go far enough to regulate environmental impacts associated with Arctic drilling, or to promote alternative energy in light of Arctic drilling, the Senator may not be able to offer amendments on the floor to improve the bill.

Such amendments, which might improve the bill from an environmental standpoint, might well be considered extraneous because they do not raise revenue.

I would caution all members of the Senate who have committed to support Arctic drilling only in certain cases, or only if certain other legislative or regulatory actions take place, to think seriously about whether reconciliation serves their interests and their constituents' interests.

Finally, I oppose using reconciliation because I believe it is being used to limit consideration of a controversial issue. The American people have strongly held views on drilling in the refuge, and they want to know that the Senate is working to pass legislation to manage the area appropriately in a forthright and open process.

That will not be achieved if reconciliation instruction on the Arctic refuge is included in the resolution before us. I urge support for my amendment.

Mr. STEVENS. I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, the Senator from California could not be more in error about the amount of land on our north arctic shoreline. It is not 95 percent open. There is the naval reserve No. 4. That is 52 percent of the coastline closed. She knows it is closed.

Beyond that, the Senator from California comes in with a letter from the Inter-Tribal Council of Alaska. That is a group of dissidents in Alaska, as far as I am concerned. The 100,000-member group of Alaskans known as the Alaska Federation of Natives—my colleague Senator MURKOWSKI had printed in the RECORD last night their Resolution 9505 absolutely supporting opening of this area to oil and gas drilling.

The main thing is, in 1985 it was drilled pursuant to a law passed in 1980 to drill a test well to see if the area could produce oil and gas. The exact results have been classified, but we know it does have the largest basin on the North American continent. If it is drilled, we expect it to produce enormous amounts of oil. One estimate I have before me is the total expected reserves for oil and gas in nongas liquids from Alaska, not taking into account the price per barrel, is 32.5 billion to 69.36 billion barrels.

When they first told us about the discovery in the Arctic known as Prudhoe Bay, they said the estimate was about a billion barrels. Last year, we produced the 17 billionth barrel, and it is still producing. As a consequence, we face a process of discrimination. We are crying to be treated equally. In California, they have four refuges. Three of them produce oil and gas: Hopper Mountain, Seal Beach, and Sutter. The fourth has a producing well and did not produce until 2000.

The Senator from California says, protect the pristine wildlife refuges. This is an enormous area. Her area is less than 100,000 acres, and they are drilling it. It comes down to the question, How much are you influenced by the extreme environmental movement in the United States?

This comes down to a question of jobs. It is jobs. There are many Alaska Native people in the gallery now. They need jobs. This is their area. This is a chart showing how many of the wildlife refuges in the United States have oil and gas drilling: California has 4, two northern States have 4 each, Illinois has 4, and there are 17 in Louisiana. Louisiana has proved you can have oil and gas drilling and compatible protection of wildlife at the same time.

All we are seeking is to be treated equally. We have a whole series of points that have been made in the last few days. And when I have this debate—there have been a lot of debates here since 1980. The commitment was finally made by two friends of mine who are now deceased, Senator Jackson and Senator Tsongas. After they made their pledge, I helped them to get the whole bill passed, over 100 million acres.

There were newspaper ads: Ted Stevens, come home; you made a mistake. If we lose today, I probably did make a mistake because I trusted the Senate. I trusted the Senate to follow the law. I hope the time comes when other people face the same proposition and they can rest assured.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mrs. BOXER. Madam President, I am finding the source for the comment I made that Senator STEVENS took issue with that the 5 percent of the North Slope was available for drilling. That comment was made by the Interior Secretary to the Senate in the committee. That statement was made in 1995. I am putting my hands on the exact words.

I yield 5 minutes to the Senator from Connecticut who has been a real leader in this fight, Senator JOE LIEBERMAN.

Mr. LIEBERMAN. Madam President, I thank my friend from California for the steadfast and spirited advocacy she has made of this amendment.

We come in about half an hour to another moment of truth. President Bush said earlier in the week that we were at a moment of truth with regard to Iraq and Saddam Hussein and weapons of mass destruction. I agreed with him. In half an hour we come to a different kind of moment of truth in the long, ongoing battle about whether we will preserve the magnificent natural gift we received from our Creator in the Arctic Refuge known as the American Serengeti and inhabited by so many magnificent species of wildlife, for a very small amount of oil.

This question, this moment of truth also raises the question about whether we will accept a contention of the Bush administration that somehow, by doing this, we are solving America's energy problem. With all respect, there could not be a more ridiculous contention.

The facts are clear. If drilling occurs by the year 2020, our dependence on foreign oil, as a result of the oil from the Arctic Refuge, will be reduced from 62 percent to 60 percent. That is not the road to energy independence.

Those of us on both sides of the aisle, Republicans and Democrats, who oppose drilling in the Arctic Refuge support new domestic energy production, including new fossil fuel energy production. In fact, it is worth pointing out that the previous administration leased more land for energy development than either of the preceding two. But it opposed drilling for oil in the Arctic Refuge. Those decisions need not be hazardous to our environment. They need not destroy precious places. Each must be evaluated in light of the

specific environmental consequences of the exploration, and our most important shared environmental treasures must be placed off limits.

The Arctic Refuge, in my opinion, is one such place. We simply would not gain enough in oil or energy independence to justify long-term harm to this place. The facts in that regard are clear. Setting up the intricate infrastructure required to pump oil out of the refuge will despoil the land and its ecosystems forever. After hundreds of pin pricks, the refuge will be in that sense bleeding, its wildlife will be reeling. We will never be able to get it back to where it was.

Supporters of drilling insist on numbers that grossly overestimate the benefits and underestimate the cost. Could the drilling in the refuge coexist with wildlife? Not by a long shot. The USGS, part of the administration, confirmed that development of the refuge would result in substantial environmental destruction.

Do we want to tear up this magnificent piece of America for such a tiny reward, when harnessing American technology to improve conservation and efficiency and developing alternative energy sources could reap many times the benefit? To me, the answer is clear. Oil drilling in the refuge is not a path to energy independence. It is not a path to economic security. It is, in fact, a road to ruin, environmental ruin of this wildlife refuge. The oil that would be gained will come and go in almost no time. But the destruction will last forever.

This is an unsettled time in our Nation's history. People feel insecure about so much—about the war in Iraq, about terrorism, about economic insecurity. It does seem to me that the decision we make today relates to that. There have to be some places, some things, some values, some natural treasures that do not change, that we have to protect, particularly at this moment. This is a place from which we gain strength, from which we gain purpose, from which we gain tranquility. Let us not, in the pressures of the moment, let it be destroyed forever.

I quote, finally, the words of Theodore Roosevelt, who may be considered in his time to be an extreme environmentalist. In 1916 TR said:

> The greatest good for the greatest number applies to the number within the womb of time, compared to which those now alive form but an insignificant fraction. Our duty to the whole, including the unborn generations, bids us to restrain an unprincipled present-day minority from wasting the heritage of these unborn generations.

The final sentence from TR, President Teddy Roosevelt:

> The movement for the conservation of wildlife and the larger movement for the conservation of all of our natural resources are essentially democratic in spirit, purpose, and method.

Those are timeless words which come home to us almost a century later as we face the moment of truth for today and for tomorrow in this vote. I urge my colleagues, please support the best of America. Vote for this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I yield myself just 1 minute while the Senator from Connecticut is here. We have 77 percent of all the wild refuges in the United States in Alaska. We are talking about 2,000 acres out of almost 90 million acres of land.

I don't understand people who stand here and say save this pristine part of the United States. I invite all of them—I will take them up there right now and let them see the Arctic Slope. It is frozen tundra. Look at this map. That shows how much of this area is withdrawn. The Senator from California says it is 95 percent—look at it. If you go from the coast on the Arctic coast of Alaska, it is not open. The only part of Federal land that is really open now is 1.5 million acres that was left open by the Jackson-Tsongas amendment. The rest of it is closed.

I reserve the remainder of my time.

Mrs. BOXER. Parliamentary inquiry: Could you tell me how much time remains on the Senator from Alaska's side and how much on my side?

The PRESIDING OFFICER. The Senator from California has 12 minutes 29 seconds; the Senator from Alaska has 13 ½ minutes.

Mrs. BOXER. I ask the Senator, what is your preference? Senator CHAFEE would like to speak, but if you would like to take some time?

Mr. STEVENS. Madam President, I was waiting for Senator DOMENICI. I think Senator CHAFEE was waiting for time.

Mrs. BOXER. I was just asking my colleague if he preferred Senator DOMENICI to go since he just spoke.

Mr. STEVENS. We will wait.

Mrs. BOXER. I yield 5 minutes for Senator CHAFEE. I want to say he is a leader on this issue, and he is one of six Republicans who signed a letter saying don't deal with this issue in the context of a budget resolution. I look forward to hearing his 5 minutes.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I accepted an offer last August to go to ANWR, to the Arctic National Wildlife Refuge. Since I have been here for 3 years, I have heard a lot of debate about it, and I assumed I heard a lot of exaggeration also. I wanted to go myself and so I accepted the invitation.

I took a bush plane from Fairbanks over the Brooks Range, as you see here. The Brooks Range is very desolate, almost devoid of any sign of life, any sign of vegetation. It is quite a trip over the Brooks Range. As we cleared that mountainous terrain, stretching out before the Arctic Ocean, the Beaufort Sea, was the most gorgeous grasslands, the last thing I expected to see that far north.

We banked around with our bush plane and you can see here where we landed. As we banked in for a landing, scurrying through the brush was a big, brown, cinnamon-colored beast, a grizzly bear.

We got out of our plane and immediately were covered with tremendous amounts of mosquitoes. It was quite an experience. We pulled the nets on our hats over our heads and set up our tents, which we can see here. We had some chow and then that night it snowed. We came on the Brooks Range earlier, and they had no snow on them, but the snow came that night. Thankfully, we never saw another mosquito, so we had the great experience of having mosquitoes but then had 2 days—3 days in order to hike around the area. Every day we would hike for as much as 4 or 5 hours, then come in for lunch, and go out and hike for the afternoon another 4 or 5 hours.

In August, it is just as light at 3 in the afternoon as it is at 3 in the morning, so it is quite an experience that far up.

I will have to say, Senator STEVENS, this is the most beautiful place. I have been in 49 out of 50 States. The only one I have not been in is Hawaii. This is the most beautiful place I have ever been.

Mr. STEVENS. The oilwells are just 25 miles away; does he know that?

Mr. CHAFEE. Yes. I will conclude in that direction. Not only did we see the grizzly bears and one caribou—the caribou migration had gone through, but we did see one caribou—but we saw all kinds of life: Ground squirrels, prairie chickens—I think they call them ptarmigan. We also saw all sorts of birds and saw also the signs of life—musk ox droppings. We didn't see musk ox, but we saw the droppings all over the place. So obviously they had been there. All kinds of caribou droppings were everywhere you went.

What a surprise it was to go this far north and see such beautiful country. It is like the plains of Wyoming or Montana. And it was a great surprise to me.

So all the environmentalists who talk about it being the Serengeti of America, they are right. This is unique. It is special. I urge my colleagues to support the amendment for that reason.

On the trip, we then had an opportunity to go to Prudhoe Bay. And what a change it is, as you go west from the 1002 area, which is where we were camping, to Prudhoe Bay. Before we leave the 1002 area, here we are, as shown on this picture. There I am, my wife Stephanie, the small band of us up there braving the elements, experiencing the 1002 area.

When we went to Prudhoe Bay, it was a change in the topography. It gets much more pockmarked with water. It is a lot different from what we saw here in ANWR. And it seems more suitable for man's incursion and for drilling as you get closer to Prudhoe Bay.

We landed in Prudhoe Bay. We went to the hotel, which was a collection,

really, of trailers put together. And the proprietor of the hotel at Prudhoe Bay said: Be careful. There is a grizzly bear in town. His name is Toby. When you walk around, just be careful. You never know. You don't want to surprise him and have him attack you. So just keep your wits about you.

We had a great tour of Prudhoe Bay. And after we left and came back to the States, about 2 months later, I saw, in the New York Times, a little filler article, that Toby was getting into the inn where we were staying and they had to put him down. So it made the New York Times, Toby getting into the inn and having to be put down.

But the point is, there should be places for the Tobys of the world. And then there are other places where we should drill. And, obviously, they are incompatible. No one wanted to harm Toby, but it just came to that.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mrs. BOXER. Madam President, I yield an additional 2 minutes to the Senator.

The PRESIDING OFFICER. The Senator may continue.

Mr. CHAFEE. I thank the Senator.

Madam President, that is the point. There should be areas of the world for man and drilling, and then there should be areas of the world for the Tobys of the world. And if we are going to proceed with drilling in ANWR, absent any effort at conservation—and many of the Senators who are going to vote in favor of drilling in ANWR did not vote for raising the CAFE standards that would save much more of our resources in natural fuels—that is a bad policy and a wrong direction to go.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Madam President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, I am delighted the Senator from Rhode Island has gone to our State and seen it in August. I would invite him to come up and join me right now, and go take a look at that same place.

But what I would really like for him to do is to remember, if I had not changed my vote in 1980, there would have been no refuge at all. It was a wildlife range. My colleague wanted to block it entirely, and I associated myself with Senator Jackson and Senator Tsongas and got the job done, and got it withdrawn, so we could proceed with development. And now the colleagues you have joined want to renege on the commitment that was made to me as a Senator by two distinguished leaders of the Senate, the Senator's father included.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. How much time remains, Madam President?

The PRESIDING OFFICER. The Senator from Alaska has 13 minutes; the Senator from California has 6 minutes 13 seconds.

Mr. STEVENS. Madam President, I yield the Senator from New Mexico 5 minutes.

Mr. DOMENICI. Madam President, I thank the Senator from Alaska.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, fellow Senators, I come from New Mexico. New Mexico is right next to Mexico. Mexico has oil underground, God made. Do you know what they call it? They call it their patrimony. It is so important that they claim it is theirs and it is their future—not locked up under the ground—to use. It is their patrimony. In fact, in Spanish, they say: ''El patrimonio del pais es el petroleo.'' That is how important it is.

Now, for all of those who have been here giving speeches about making sure we protect the ANWR wilderness, look at this picture. Look at this picture with me. You see this big, blue picture? I am going to go around the edges for you. Isn't that big?

Senator, do you want to take a look? That is drawn to scale. That is ANWR. Unless you have very good glasses, very good eyes, you can't see, from your seat, where ANWR's drilling sites will be, because it will be that big, Senator. Can you see that little spot?

Mr. CHAFEE. Yes, I can.

Mr. DOMENICI. That is how big the development for oil for America will be out of this wilderness.

Now, anybody who blesses this floor piously about preservation is ignoring the reality. America cannot live without oil. I wish we could.

Alaska is America. Oil in Alaska is our patrimony, just like oil in Mexico is the patrimony of the Republic of Mexico. To say that using that piece of property—see it. I am not sure our TV cameras are showing it to Americans, that is how big it is.

It is now said, that is all you need to drill for oil—to do what?—to produce as much oil as the State of Texas produces. There are even environmentalists who say, in their literature, it is an irrelevant amount of oil, it is not needed.

Well, Madam President, as I crossed America, looking to find comparisons, as soon as I got to Texas, I asked, how much oil is there? They told me, it is almost the exact amount of billions of barrels of reserve as is in this tiny piece of property as big as the properties at Dulles here in Virginia.

So if this is irrelevant to America, I assume we should not have drilled in Texas. How much oil might it produce? About the same amount as California per year. I ask Senator NICKLES, is one to say California's production is not needed? We are so rich and arrogant about our wealth that we can throw away this huge amount of oil? We don't need it for America?

I believe to turn this down is not an insult to Alaska; it is not reneging on something to TED STEVENS; it is an absolute denial to the American people of the increased prospect of reasonably priced oil for the future.

If you are worried about the future high prices of oil and you want to blame someone, I say, blame the vote this afternoon. If this is defeated, you can put it right up there along with any other country that you assume is out to raise prices on the American consumer. Because that vote, denying the right of Americans to produce this oil, will just as assuredly result in the prospect of increased costs of oil to Americans.

I wish we could stand on the floor and say: Americans, we have a plan. We are going to dramatically reduce the number of automobiles.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I ask the Senator, could I have 1 additional minute?

He said yes.

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

Mr. DOMENICI. Let me just say, I wish we had a plan that said: In the future, we do not need all this; we do not need all these cars; we can get by with far less. But, frankly, I believe, under any scenario, for the next 25 to 30 years, our children, our way of life, our standard of living, demand that we do right and that we use that tiny piece of real estate without doing damage to this gigantic wilderness to produce energy for our great country.

I thank Senator STEVENS for yielding.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Madam President, parliamentary inquiry: How much time remains on each side, please?

The PRESIDING OFFICER. The Senator from California has 6 minutes 13 seconds; the Senator from Alaska has 7 minutes 25 seconds.

Mrs. BOXER. I would like to retain my time to close debate, if it is all right with the Senator from Alaska.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I yield my colleague 2 minutes, Madam President.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURKOWSKI. Madam President, it has been suggested in the past few minutes and last evening that instead of opening ANWR, we need to look to conservation; we need to discuss CAFE standards; we need to look to alternative fuels.

We need to keep ANWR in context. This is not an either/or debate. These concepts are not mutually exclusive. We have to have increased conservation efforts, of course. That is reasonable. But as the Senator from New Mexico has stated, we will never be entirely free in our reliance on oil, on petroleum products.

When you look at what we get from petroleum products, it is not just the gasoline that goes in our vehicles. That is not the only issue. We use it in our

plastics. We use it for Band-Aids, for perfume, for so many things that you can't even imagine. We will continue to need gas. We will continue to need oil. These are necessary for us as a society.

To suggest that we are going to conserve our way out of reliance on petroleum is not reasonable. It is not feasible. We have to accept both. We need the domestic energy sources that only ANWR can provide to us. We have heard it repeated time and time again today and yesterday and in the years throughout the debate, this is where the energy reserves are. We can't deny that. We can't be put off or led astray by looking at nice pictures and thinking that somehow or other in order to preserve this area, we have to give up development.

The PRESIDING OFFICER. The Senator's 2 minutes have expired. Who yields time?

Mr. STEVENS. How much time remains?

The PRESIDING OFFICER. The Senator from Alaska has 5 minutes 24 seconds. The Senator from California has 6 minutes 13 seconds. Who yields time?

Mr. STEVENS. I yield 1 minute to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, momentarily we will be voting on the Boxer amendment. I urge my colleagues to vote no. I compliment my colleagues, Senators STEVENS and MURKOWSKI. I listened to the debate last night and today. If people are interested in the facts, they happen to know the facts. They live there. They have been there. A lot of people are pointing out pristine pictures of wildlife.

That is not the 1002 area that would be drilled. I have seen that. We can do drilling in that area in a very environmentally sensitive and sound way. We can do it. Our country happens to need that million barrels per day of domestic oil that can be produced. We need it. If not, we will be buying it from Iraq. We will be buying it from the Middle East. We will be buying it from areas that are a lot more vulnerable than Alaska. This way we can keep the jobs in the United States. This way we can keep production and our dollars in the United States.

We have a tradition in the Senate that we listen to home State Senators in areas that concern their State.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NICKLES. I yield myself an additional minute.

The PRESIDING OFFICER. Does the Senator from Alaska yield?

Mr. STEVENS. Certainly.

Mr. NICKLES. For people who live outside the State and have never been in this area to try to dictate that we should never drill there, without living there, and override and superimpose their will over the two home State Senators, I find to be almost incredible. It is denying Alaska a chance to grow. It is denying our country a chance to grow.

I urge my colleagues to listen to Senator STEVENS, to listen to Senator MURKOWSKI, and let's allow some environmentally safe and sound production that our country desperately needs.

I thank my colleagues from Alaska.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I ask the Chair to let me know when I have 1 minute left.

The PRESIDING OFFICER. The Chair will notify the Senator.

Mr. STEVENS. Madam President, this is a diagram of the 1002 area. I pointed out previously that in 1958 there was a well drilled just east of Kaktovik. It is still classified as the result of overwhelming interest by the oil industry after that to conduct seismic in this area. This is the Marsh Creek anticline. East of that area is where this enormous reservoir is. To the west going over to the river, where this is the Prudhoe Bay area, that has all been very prolific. There was a well drilled off shore in Camden Bay. There has been a series of wells drilled offshore. The only well that has been drilled onshore was in 1985.

This is an area, as I said, a million and a half acres that in 1980 was kept open for oil and gas exploration by the Tsongas-Jackson amendment. The balance of this area is wilderness. This has never been wilderness. We heard repeatedly about wilderness.

I have now been here 35 years. I have trusted the Senate quite often. The one time I really trusted Senators was when I decided to work with Senators Tsongas and Jackson to get this bill passed, get it done. We thought we had a substantial concession in the fact that the Arctic Slope would continue to be open for oil and gas exploration as it was intended by President Eisenhower, as it was intended entirely up until 1980.

Through the period of the discussion of this matter, since 1980, I have had a series of Senators tell me, I will be with you if you need me. They know who they are. This is the day that I need them. This vote is going to be very close. It represents a vote that culminates some substantial period of my life because I started working on this area in 1956.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. STEVENS. I will save it.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I yield 1 minute to the Senator from New Jersey, Mr. LAUTENBERG.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Senator from California. In a short statement I would like to identify what has happened since 1989 when the *Exxon Valdez* ran aground, since the period of time when the court said that ExxonMobil should pay $9 billion in punitive damages for the havoc it created in Prince William Sound. Lest we be fooled that these environmental stewards are going to take good care of our assets, of our natural resources, let's look at what happened.

The fine is now down $4 billion. This is since shortly after 1989. And who is paying the tariff here? Well, the Anchorage Daily News on August 4, 1998, reported ''Apparently Delay Pays.''

The PRESIDING OFFICER. The Senator has used 1 minute.

Mrs. BOXER. I yield an additional 1 minute.

Mr. LAUTENBERG. Exxon is earning $90,000 an hour, about $2 million a day, or nearly $800 million a year, on the same $5 billion as long as the case drags on. And the money stays in its coffers. They are not even paying for it. In fact, what they are doing is making money, interest on that money which belongs to the citizens of the country and for the protection of our environment.

What we are looking at is a corporate behavior that should be unacceptable under any standard and where they are using this opportunity to cash in on delays by skillful lawyers instead of paying their obligation as it fell upon them through the courts.

It is an outrage. We cannot trust these people to take care of this environment of ours for our children and our grandchildren. I hope the Boxer amendment passes.

Mrs. BOXER. Madam President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 5 seconds.

Mrs. BOXER. I would like to be told when I have a minute left.

We are reaching the end of a tough debate. It is a very close vote, no doubt about it. The Vice President, I understand, is on his way over in case it is a tie vote. I want to pick up on something Senator NICKLES said when he kind of cast aspersions on those who live outside of the State of Alaska and are speaking up in favor of this Arctic Wildlife Refuge.

Let me be clear. I come from a State that has millions of acres of wilderness, thousands and thousands of acres of beautiful Federal land. We are very proud of it. We have forests, desert, wetlands, and the rest, including Yosemite National Park. Let me be clear. I welcome the support of my colleagues. I don't shun it. I welcome them to help me preserve those acres for the people of California and the people of the country and, indeed, the people of the world. In our State, we consider these treasures not only to be God-given resources, but we look at them as God-given resources that we, the people of this planet, have to protect.

I am interested in Senator DOMENICI's presentation. It was well done. He has a big chart and he has a dot on the chart. He says: Look at this, it is a dot on this chart. Well, if you go up into space and you look at the Earth, it looks like a little marble. Does that

mean we should not care about what happens on God's Earth?

So I think we are getting to the point at which we have to make a choice. Do we want to change the policy and go into this beautiful refuge or do we want to look at other ways to get more energy—I underscore, much more energy?

Look, if we just close the loopholes on SUVs—by the way, I represent a lot of soccer moms and let me tell you, they want their SUVs, and they want to get better fuel economy from them. I live in a community where almost every other car is big because I live in suburbia. They want to have the option to drive those cars and not have to spend $100 every time they fill up the tank. If we were just to close that SUV loophole, we would save, by 2030, 10 billion barrels of oil. This is what we are talking about. That is far more than you would get out of the Arctic. If you moved up the fuel economy just to 35 miles a gallon—listen to this—we would be 43 percent less dependent upon foreign oil. With ANWR, it is 2 percent.

Vote for the Boxer amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

The Senator from Alaska has 1 minute 2 seconds.

Mr. STEVENS. Madam President, again, I think this is the most important vote in the history of my service in the Senate. I worked on this with President Eisenhower. Our people were about ready to go to war. He said in World War II that our ships, our planes, and our tanks must have oil. That will continue on into the future. Opening this area will not give our people oil now but will assure that we have a greater reserve in the future.

My last comment is this. In the time I have served here, many people have made commitments to me, and I have never broken a commitment in my life. I make this commitment: People who vote against this today are voting against me, and I will not forget it.

Mrs. BOXER. Madam President, this is a country of laws, not men. This is a country that treasures its God-given gifts—from the mountains, to the prairies, to the oceans white with foam. God bless America, my home sweet home.

This isn't about us being here for 2 years, or 6 years, or 10 years, or 20, or even 50. We will be gone. But we need to think about the future. We can do more for our troops were we just to increase fuel economy. We will save far more doing that than by drilling in a pristine area that has wildlife that looks like this picture.

Mr. STEVENS. Regular order.

Mrs. BOXER. Madam President, I hope we will stand with the environment and vote for the Boxer amendment.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Madam President, I ask for the yeas and nays on the Boxer amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 272. The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 52, nays 48, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—52

Baucus	Dorgan	Lincoln
Bayh	Durbin	McCain
Biden	Edwards	Mikulski
Bingaman	Feingold	Murray
Boxer	Feinstein	Nelson (FL)
Byrd	Fitzgerald	Nelson (NE)
Cantwell	Graham (FL)	Pryor
Carper	Harkin	Reed
Chafee	Hollings	Reid
Clinton	Jeffords	Rockefeller
Coleman	Johnson	Sarbanes
Collins	Kennedy	Schumer
Conrad	Kerry	Smith
Corzine	Kohl	Snowe
Daschle	Lautenberg	Stabenow
Dayton	Leahy	Wyden
DeWine	Levin	
Dodd	Lieberman	

NAYS—48

Akaka	Dole	Lugar
Alexander	Domenici	McConnell
Allard	Ensign	Miller
Allen	Enzi	Murkowski
Bennett	Frist	Nickles
Bond	Graham (SC)	Roberts
Breaux	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Specter
Campbell	Hutchison	Stevens
Chambliss	Inhofe	Sununu
Cochran	Inouye	Talent
Cornyn	Kyl	Thomas
Craig	Landrieu	Voinovich
Crapo	Lott	Warner

The amendment (No. 272) was agreed to.

Mrs. BOXER. I move to reconsider the vote.

Mr. DURBIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Madam President, I have been authorized by the manager of the bill to yield 20 minutes to the Senator from West Virginia, Senator BYRD.

The PRESIDING OFFICER. The Senator from West Virginia.

AMERICA'S IMAGE IN THE WORLD

Mr. BYRD. Madam President, I believe in this great and beautiful country. I have studied its roots and gloried in the wisdom of its magnificent Constitution and its inimitable history. I have marveled at the wisdom of its Founders and Framers. Generation after generation of Americans has understood the lofty ideals that underlie our great Republic. I have been inspired by the story of their sacrifice and their strength.

But today I weep for my country. I have watched the events of recent months with a heavy, heavy heart.

No more is the image of American one of strong, yet benevolent peacekeeper. The image of America has changed. Around the globe, our friends mistrust us, our word is disputed, our intentions are questioned.

Instead of reasoning with those with whom we disagree, we demand obedience or threaten recrimination. Instead of isolating Saddam Hussein, we seem to have succeeded in isolating ourselves. We proclaim a new doctrine of preemption which is understood by few but feared by many. We say that the United States has the right to turn its firepower on any corner of the globe which might be suspect in the war on terrorism. We assert that right without the sanction of any international body. As a result, the world has become a much more dangerous place.

We flaunt our superpower status with arrogance. We treat U.N. Security Council members like ingrates who offend our princely dignity by lifting their heads from the carpet. Valuable alliances are split. After war has ended, the United States will have to rebuild much more than the country of Iraq. We will have to rebuild America's image around the globe.

The case this administration tries to make to justify its fixation with war is tainted by charges of falsified documents and circumstantial evidence. We cannot convince the world of the necessity of this war for one simple reason: This is not a war of necessity, but a war of choice.

There is no credible information to connect Saddam Hussein to 9/11, at least up to this point. The twin towers fell because a world-wide terrorist group, al Qaida, with cells in over 60 nations, struck at our wealth and our influence by turning our own planes into missiles, one of which would likely have slammed into the dome of this beautiful Capitol except for the brave sacrifice of some of the passengers who were on board that plane.

The brutality seen on September 11th and in other terrorist attacks we have witnessed around the globe are the violent and desperate efforts by extremists to stop the daily encroachment of Western values upon their cultures. That is what we fight. It is a force not confined to territorial borders. It is a shadowy entity with many faces, many names, and many addresses.

But, this administration has directed all of the anger, fear, and grief which emerged from the ashes of the Twin Towers and the twisted metal of the Pentagon towards a tangible villain, one we can see and hate and attack. And villain he is. But he is the wrong villain. And this is the wrong war. If we attack Saddam Hussein, we will probably drive him from power. But the zeal of our friends to assist our global war on terrorism may have already taken flight.

The general unease surrounding this war is not just due to ''orange alert.'' There is a pervasive sense of rush and risk and too many questions unanswered. How long will we be in Iraq? What will be the cost? What is the ultimate mission? How great is the danger at home?

A pall has fallen over the Senate Chamber. We avoid our solemn duty to debate the one topic on the minds of all Americans, even while scores of thousands of our sons and daughters faithfully do their duty in Iraq.

What is happening to this country—my country, your country, our country? When did we become a nation which ignores and berates our friends and calls them irrelevant? When did we decide to risk undermining international order by adopting a radical and doctrinaire approach to using our awesome military might? How can we abandon diplomatic efforts when the turmoil in the world cries out for diplomacy?

Why can this President not seem to see that America's true power lies not in its will to intimidate, but in its ability to inspire?

War appears inevitable. But I continue to hope that the cloud will lift. Perhaps Saddam will yet turn tail and run. Perhaps reason will somehow still prevail. I along with millions, scores of millions of Americans will pray for the safety of our troops, for the innocent civilians—women, children, babies, old and young, crippled, deformed, sick—in Iraq, and for the security of our homeland.

May God continue to bless the United States of America in the troubled days ahead, and may we somehow recapture the vision which for the present eludes us.

Madam President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Expressions of approval or disapproval are not permitted.

The legislative clerk proceeded to call the roll.

Mr. MCCAIN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. MCCAIN. Madam President, I ask unanimous consent to use time under the resolution.

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

Mr. MCCAIN. Madam President, I observed the comments of the distinguished Senator from West Virginia concerning the events which are about to transpire within the next hour or so, or days. I did not really look forward to coming to the floor and debating the issue. It has been debated. It has been discussed in the media. It has been discussed at every kitchen table in America. But I felt it would be important for me to respond to allegations concerning the United States of America, its status in the world, and, in particular, what happens after this conflict is over, which I do not think we have paid enough attention to, perhaps understandably, because our first and foremost consideration is the welfare of the young men and women we are sending in harm's way.

But to allege that somehow the United States of America has demeaned itself or tarnished its reputation by being involved in liberating the people of Iraq, to me, simply is neither factual nor fair.

The United States of America has involved itself in the effort to disarm Saddam Hussein, and now freedom for the Iraqi people, with the same principles that motivated the United States of America in most of the conflicts we have been involved in, most recently Kosovo and Bosnia, and in which, in both of those cases, the United States national security was not at risk, but what was at risk was our advocacy and willingness to serve and sacrifice on behalf of people who are the victims of oppression and genocide.

We did not go into Bosnia because Mr. Milosevic had weapons of mass destruction. We did not go into Kosovo because ethnic Albanians or others were somehow a threat to the security of the United States. We entered into those conflicts because we could not stand by and watch innocent men, women, and children being slaughtered, raped, and ''ethnically cleansed.'' We found a new phrase for our lexicon: ''ethnic cleansing.'' Ethnic cleansing is a phrase which has incredible implications.

The mission our military is about to embark on is fraught with danger, and it means the loss of brave young American lives. But I also believe it offers the opportunity for a new day for the Iraqi people.

Madam President, there is one thing I am sure of, that we will find the Iraqi people have been the victims of an incredible level of brutalization, terror, murder, and every other kind of disgraceful and distasteful oppression on the part of Saddam Hussein's regime. And contrary to the assertion of the Senator from West Virginia, when the people of Iraq are liberated, we will again have written another chapter in the glorious history of the United States of America, that we will fight for the freedom of other citizens of the world, and we again assert the most glorious phrase, in my view, ever written in the English language; and that is: We hold these truths to be self-evident, that all men are created equal and endowed by their Creator with certain inalienable rights, and among these are life, liberty, and the pursuit of happiness.

The people of Iraq, for the first time, will be able to realize those inalienable rights. I am proud of the United States of America. I am proud of the leadership of the President of the United States.

It is not an easy decision to send America's young men and women into harm's way. As I said before, some of them will not be returning. But to somehow assert, as some do, that the people of Iraq and the Middle East are not entitled to those same God-given rights that Americans and people all over the country are, that they do not have those same hopes and dreams and aspirations our own citizens do, to me, is a degree of condescension. I might even use stronger language than that to describe it.

So I respectfully disagree with the remarks of the Senator from West Virginia. I believe the President of the United States has done everything necessary and has exercised every option short of war, which has led us to the point we are today.

I believe that, obviously, we will remove a threat to America's national security because we will find there are still massive amounts of weapons of mass destruction in Iraq.

Although Theodore Roosevelt is my hero and role model, I also, in many ways, am Wilsonian in the respect that America, this great Nation of ours, will again contribute to the freedom and liberty of an oppressed people who otherwise never might enjoy those freedoms.

So perhaps the Senator from West Virginia is right. I do not think so. Events will prove one of us correct in the next few days. But I rely on history as my guide to the future, and history shows us, unequivocally, that this Nation has stood for freedom and democracy, even at the risk and loss of American lives, so that all might enjoy the same privileges or have the opportunity to someday enjoy the same privileges as we do in this noble experiment called the United States of America.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO).

The Senator from Washington.

AMENDMENT NO. 284

(Purpose: To fully fund the No Child Left Behind Act in 2004 and reduce debt by reducing tax breaks for the wealthiest taxpayers)

Mrs. MURRAY. Mr. President, I send an amendment to the desk on behalf of myself, Senators KENNEDY, HARKIN, BINGAMAN, KERRY, MIKULSKI, JOHNSON, SARBANES, EDWARDS, and CLINTON.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Washington [Mrs. MURRAY], for herself, Mr. KENNEDY, Mr. HARKIN,

Mr. BINGAMAN, Mr. KERRY, Ms. MIKULSKI, Mr. JOHNSON, Mr. SARBANES, Mr. EDWARDS, and Mrs. CLINTON proposes an amendment numbered 284.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mrs. MURRAY. Mr. President, the amendment I offer is the one I spoke about earlier today. Clearly, we are in a very important day in the history of this country, and really of this world, as we wait to find out what is going to happen in Iraq. All of our thoughts and prayers are with the young men and women who wait, as we do, to see what is going to happen. Certainly our country is anxious and on edge, and we all hope they are successful. We all hope this endeavor leaves us where this country needs to be. But certainly a lot else is going on as well.

Here we are on the floor of the Senate debating a budget resolution that has been put forward by the majority party.

I am one of those who come to the Chamber to express my serious concern that the budget before us does not include any funds to pay for the war in Iraq, nor does it pay for the peace we hope will ensue afterwards. We do not know what the cost is going to be. Yet hidden inside this budget is a major tax cut that will make it impossible for us to be able to provide what is important for the country, whether it is a war in Iraq or, as my constituents are worried about, a conflict in North Korea, if one occurs there as well.

Also, in this budget we are looking at tremendous cuts to the education of our young children. It is especially important today, as we face the uncertain future of where we go from here, that we give some certainty to the children in our classrooms, because now more than ever we need to make sure they have a solid education, that they are capable of making it through school with the skills they need so they can help get our economy back on track and make us strong for whatever future conflict the country may find itself in, but also so they can be productive adults.

Not very long ago this body passed a bill called No Child Left Behind. It was a promise from the President and all of us who worked on it that we would put in place for the first time strong accountability rules for the public education system. We would hold schools, teachers, and principals accountable to make sure our students met the high standards we were setting. But that was not all the legislation promised. It also promised that we would fund what was necessary to help our children reach those goals.

It promised that every classroom would have a high-quality teacher. That is a problem in our country today where many teachers are in classrooms where they don't have the skills they need to teach the subjects they are required to teach. It requires in this bill that we have a highly qualified teacher in every classroom. That doesn't just happen. It happens because we make sure the resources are there to do it. Without the money to make that happen, we have passed on an unfunded mandate to the States.

We said in No Child Left Behind that children will be in an environment where they can learn. Far too many children are in classrooms that have 35 or 40 children in first, second, and third grade classrooms. There is no way those children who come to class, many of them in very difficult situations, have the ability to learn basic math, science, English, writing skills because they don't have the time of a teacher when there are too many kids in the classroom. We need to make sure we help provide the resources so we don't set kids up to test but that we actually provide the resources so they are in a small enough classroom with a highly qualified teacher.

The budget before us does not provide funds for this. It only comes through with half of the promise we gave to our children several years ago that we would leave no child behind. It leaves the promise of testing, but it does not fulfill the promise of funding.

The amendment I have sent to the desk will fully fund the No Child Left Behind Act. It says it is a priority of our country that we will not just pass an unfunded mandate on to States but that we will assure that children have afterschool programs so they can get the extra skills they need to catch up and pass the tests we are requiring them to take. It means we will fully fund title I funding so that 6 million of our most disadvantaged students will not be left behind. It provides funds for English language acquisition and safe and drug free schools and, importantly, rural education.

The Presiding Officer knows, as I do, that in many of our rural school districts we have a difficult time attracting qualified teachers. They often leave to go to urban or suburban schools where it is easier to teach. We want to make sure that even if there are only 40 kids in a school building, that they get the same help and instruction and qualified teachers so they can learn the skills they need to pass the tests we have required of them. My amendment will make sure that we fund the rural education programs.

If we don't do this, we are passing an unfunded mandate on to States at a time that they cannot afford to take it. My State legislature is facing a $2.5 billion budget deficit right now. They are struggling to come to some difficult decisions. It is extremely unfair of us at the Federal level to tell them, while they are struggling through these budget decisions, that they now have a new unfunded mandate of making sure children pass tests; otherwise, their schools are failing and not providing the funds to make sure that happens.

Our State legislators do not have the funds to fund a Federal mandate. If we will not follow through with the funding, we cannot keep the first half of No Child Left Behind that says that schools have to be held accountable. I don't want to lower the standards. I don't want to take that accountability away. But I also do not want to pass on an unfunded mandate to schools today when they are struggling with fewer resources because our own State legislatures are having difficulty in these tough economic times giving them the tools they need. I hope we don't fail at No Child Left Behind by not providing funding but providing the mandates.

It will be imperative for this Congress to come back and revisit this if we don't provide the funds because I assure you every school board member—and I was a school board member at one time—will be back here screaming about unfunded mandates. We will end up having to take steps backward in accountability in order to accommodate them. I don't think that is where any Member here wants to go.

The amendment I sent to the desk will help us reach that goal by fully funding the No Child Left Behind Act so we can keep both sides of the promise that we made to the children and to the parents and to the school employees and to the districts across the country that when we said No Child Left Behind, we said accountability, but we also said resources.

I stand here terribly conscious that Senator Wellstone no longer sits behind me because of the tragedy that occurred right before the election of last year. I know if Senator Wellstone were here, he would be walking up and down this aisle yelling about the fact that we can't educate kids on a tin cup budget.

I will tell you, the Republican budget that is before us today is a tin cup budget. It is a budget that does not provide the resources that our young people need in order to be able to learn, in order for teachers to educate our children, and for them to be a success.

It would be a tremendous setback for this country in terms of education if we don't pass this amendment and assure that our schools are funded.

It is a difficult day for all of us to be in the Senate debating these critical issues. We all know that hanging over us is a war that could possibly begin at any time. Our hearts are heavy with what could occur in the next few weeks and months. But it is also a time that we cannot abandon our young children. They are counting on us as the adults to make the right decisions for them and not to forget them in this time of crisis. If we don't pass this amendment and fully fund No Child Left Behind, it will send a message to every child that we have forgotten them. I will not do that. I will work hard every day to make sure we fund the important education structure and give our kids the

opportunity to learn and succeed. That is a commitment every one of us should take as a tremendous responsibility.

I know there are other Senators who wish to speak on the amendment. I will yield the floor in a few minutes.

I want to make a few more comments before I do that. I see Senator GREGG is here as well. I know we have to debate what is full funding and what should be our responsibility. But I think the outlines of No Child Left Behind are fairly clear in what our commitment is to young people. If we don't fully fund title I to give disadvantaged students the opportunity to learn, we are requiring them to take a test and not giving them the resources they need, coming from a disadvantaged background, to be able to pass those tests. I think that is a pretty sorry statement in the Senate.

The amendment I am offering has $8.9 billion in funding for Function 500, so it will fully fund the No Child Left Behind Act. As I stated earlier, the programs that it will fully fund are title I, teacher quality, class size, English language acquisition, after-school centers, and rural education. It also includes sufficient funding to restore the President's cuts that are in the Republican budget before us for programs such as smaller learning communities and dropout prevention programs.

The amendment also includes $8.9 billion for deficit reduction. I think both the education and deficit reduction funding are extremely important right now. This is all taken from the dividend tax cut.

I know we are going to have a tax debate later on, but I have talked to many of my constituents across the State of Washington, and when they are given the choice of whether or not to have a tax cut that actually doesn't benefit many of the residents of the State of Washington or this country or the opportunity to provide a good education for young children who are in school today, they all choose that their money be spent on young children so they can have an opportunity.

Bill Gates is a constituent of mine. He is a wonderful success story. He will benefit tremendously from the tax cut in the Republican budget. But I think he and most of my constituents agree that they would benefit much more from a citizenry that is left behind that is educated and capable of producing and capable of producing another Bill Gates in the future.

If we rob our children of an education, we are also robbing ourselves of future entrepreneurs who can be successful businessmen, businesswomen, and be in walks of life that help create new jobs for the future. It is very shortsighted to not fully fund No Child Left Behind for the future of the country.

We will have other amendments, I know, during this budget debate, to fully fund IDEA. That is an issue this Senate has taken up and talked about many times. We actually had hoped to fully fund IDEA not that long ago, but we were told we had to wait for reauthorization. We are still waiting for the reauthorization bill to come over, and we still have not fully funded IDEA.

I know Senator KENNEDY is on the floor as well. He has been a staunch proponent of fully funding education for our young children and is even concerned about the Pell grants and their funding in this budget. We have many students in college who are struggling to pay their tuition and are finding themselves taking out loans of tremendous size just to get through school, and they are graduating with thousands of dollars in loans. It is really important that we don't leave a generation with huge debt, trying to pay them off, if we want our economy to get back on track.

Senator KENNEDY will talk later on the importance of increasing the Pell grant funding so that we leave fewer students with tremendous loans in the future. I know Senator DODD will be out here also to talk about Head Start and day care and other issues affecting young people.

Let me conclude by saying that there are thousands of young children in this country who are waiting anxiously to see if the U.S. Senate can live up to the obligations of the No Child Left Behind Act that was passed not long ago. Today, we will have an opportunity with the amendments that I have to let the young kids know that we in this country are ready to stand by them.

I thank the Chair and yield the floor.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I ask unanimous consent that we vote in relation to the Murray amendment at 5 o'clock this evening, with the time until then equally divided. I know my colleague from Washington spoke, but I say the time divided equally on the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I am trying to understand the amendment. I have not looked at it totally. The Senator's amendment would increase funding in this education function by $8.9 billion for fiscal year 2004?

Mrs. MURRAY. The Senator is correct.

Mr. NICKLES. We have a 10-year budget. Do you increase funding in 2005 or 2006 or any of the outyears?

Mrs. MURRAY. This just sets the appropriations level for this year and 2004.

Mr. NICKLES. You also increase taxes, or decrease the tax cut—whichever language you want to use—by an amount of how much?

Mrs. MURRAY. The amount in the amendment reduces the tax cut by $17.8 billion.

Mr. NICKLES. Now, what percentage of an increase in the—$8.9 billion is what percent of an increase over the money being spent this year?

Mrs. MURRAY. It is approximately an 8-percent increase.

Mr. NICKLES. My calculation is that it is closer to 40 percent.

Mrs. MURRAY. Well, I am happy to doublecheck to answer the Senator, but I would be astounded—I believe it is an 8-percent increase over the funding level.

Mr. NICKLES. Will the Senator yield further?

Mrs. MURRAY. Yes, absolutely.

Mr. NICKLES. Doesn't your amendment deal only with No Child Left Behind?

Mrs. MURRAY. It ensures that we fully fund No Child Left Behind for fiscal year 2004 and the programs within the No Child Left Behind.

Mr. NICKLES. Correct me if I am wrong, but isn't that figure $23.6 billion, and so you would increase that amount by $8.9 billion, and isn't that closer to 40 percent?

Mrs. MURRAY. You are talking about the overall education funding. I am talking about the No Child Left Behind Act.

Mr. NICKLES. We will have to debate that. I believe I am talking about the No Child Left Behind. I believe you are increasing that by about 40 percent, which is kind of hard to understand.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I am happy to yield to my colleague from Massachusetts. I want to clarify that the vote that will occur at 5 o'clock will be on the amendment that I have offered; is that correct?

Mr. NICKLES. On or in relation thereto.

Mrs. MURRAY. No amendments will be in order prior to the vote.

Mr. NICKLES. I am reserving the right to table the amendment, and no amendment prior to that vote. We still would have the option for a motion to table, and if a motion to table wasn't successful, to offer a substitute amendment.

Mrs. MURRAY. I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, the budget that is before us at this present time is about one basic and fundamental issue, and that is the issue of priorities, the issue of choices, how we are going to allocate scarce resources in this country.

The fact is that the Republican budget has said we will add $1.6 trillion in additional tax breaks, most of which will go to the very wealthy individuals in this country.

The Senator from the State of Washington says, no, let's just take $8.9 billion of that and designate that for the No Child Left Behind Act, and then let's take another $8.9 billion towards reducing the deficit that we are additionally creating with the $1.6 trillion in additional tax reductions.

The question is very simple: Do we want to educate the children of this country, or do we want more tax breaks for the very wealthy? That is the issue before the Senate.

It is going to be clouded up with a lot of other kinds of rhetoric, but it is a choice. Do you want to educate the children, or do you want more tax breaks? That is the issue. That is the issue.

Mr. President, I will use figures from the Department of Education. The Department of Education—this is their document—for the year 2003, the total figure for education is $53 billion. And now the President's request is $53 billion. There it is. That is the Republican President's request on No Child Left Behind—effectively flat funding. Flat funding.

Now, we know the President of the United States worked with the Congress—Republicans and Democrats—to enact the No Child Left Behind Act. That added important reforms and accountability—accountability for the children to perform, accountability of the schools to teach, accountability for the teachers to learn and to be well-qualified, accountability for the parents to become involved, accountability on the local communities to have responsibilities. It also had accountability for the Congress of the United States to fund that program, and this administration has abandoned that accountability. It has abandoned it. The documents from the administration's Department of Education show that.

At this hour, the Senator from Washington is saying: We do not want to abdicate our responsibility. Maybe the administration does, but we do not, and the Senate will have an opportunity at 5 o'clock to indicate whether they prefer to give additional hundreds of millions of dollars to the wealthiest individuals, or to meet our fundamental commitment to children and parents, 55 million of them across this country, and make sure they have a well-qualified teacher in their classrooms, make sure there are going to be after-school programs to assist these children, make sure they have a sound curriculum, make sure that the tests are going to test those children on that curriculum, and that if a child falls behind, they are going to get the supplementary services they need. This is all at a time when the States are in deficit of $90 billion. A third of that money is education; 75 percent of that is for K through 12.

The children are being put through the wringers. They are being put through the wringers in all 50 States. I will not take the time to read from letters from teachers and superintendents of schools or school boards, but that is the message they are sending.

We made a commitment, a promise to those children and to their parents. The choice is very simple: Are we going to meet that commitment in supporting the amendment of the Senator from Washington, or are we going to give additional tax breaks to the wealthiest individuals? It is as simple and fundamental and basic as that, Mr. President, make no mistake about it. I hope later on we will have a chance to do something about that.

Finally, on the President's proposal for education, if we look over the period to the year 2010, with the requests that are being made in the President's budget there are still 5.6 million children left behind. There it is under this administration. I remember when the administration wanted the title ''No Child Left Behind,'' and we talked about that in our conference. As we talked about that, we said: Are we really going to leave children behind, or is this going to be a commitment? It was clear to me that Republicans and Democrats in the conference said: This is going to be a commitment.

Unless we accept the amendment of the Senator from Washington and unless we are going to start on a glidepath towards funding No Child Left Behind, we are going to leave millions of children in this country behind. Which is it, Senate of the United States: billions more for tax breaks for wealthy individuals or investing in the children who are out there tonight, today, this evening, studying hard, trying to make a go of it and finding out that instead of having maybe 15, 18, 20 pupils in a class, this year there are going to be 25 or 30 in it? And we can go down the list. Every Member knows that.

It is a question of priorities, and the Murray amendment is as clear as can be. I hope when the time comes, the amendment will be accepted.

I reserve the remainder of our time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, what is the status of the time?

The PRESIDING OFFICER. The Senator from Oklahoma retains 26 minutes. The Senator from Washington retains 10 minutes 40 seconds.

Mr. GREGG. I ask to be yielded 15 minutes.

Mr. NICKLES. I yield 15 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GREGG. Mr. President, first, I always enjoy hearing the Senator from Massachusetts and the Senator from Washington discuss education, especially the Senator from Massachusetts. I appreciate the fact we put microphones in the Chamber because that certainly helps me hear him as we go forward.

I wish to start, however, with the question of the budget. I thought I would bring along the budget on education that we passed last year when the Democratic membership controlled the Senate. So I did, and here it is.

You may be asking, Where is it? It did not pass. The budget on education was not even brought to the floor last year. An epiphany has occurred. Suddenly, they are concerned about education. Suddenly, they are interested in education enough to debate it in this budget. But where were they last year? Where were they? They were not on the floor of the Senate promoting a budget to promote education. This is their budget last year on education. A blank page.

We have to go back in history to find out what the position of the membership of the other party is relative to the issue of funding education in comparison with what this President has done.

This President has dramatically increased funding for education, and if we compare his commitment to education to the prior administration's commitment to education in the years when the prior administration proposed education funding, we will see that in the last year of the Clinton administration, there was $42 billion being spent on education. This year, a proposed $66.5 billion is being spent on education by this President.

President Bush's commitment to education has been the second largest factor of increase in the Federal budget over the last 3 years. It has meant real dollars going to the issue of education.

Now let's turn to the question of title I, which is the purpose of this amendment, which is the No Child Left Behind issue. Let's look at all the issues for a moment. Let's compare what the Democratic leadership did when they controlled the Senate versus what we have done under Republican control of the Senate over the last few years.

From the period 2001 to 2004, when we had Republican leadership in the Senate, the red bars reflect increases in education funding for title I, for IDEA, Pell grants, and total discretionary education. Increases from the Democratic side of the aisle during this same period were minuscule; in fact, one was even a negative in the Pell grant area during that same period. There are dramatic increases coming from this President.

Let's look at title I because this is the most stark, dramatic, and I think precise chart we have to reflect what is really being done.

Since the Republicans took control of the Senate and the Congress, we see these huge increases in funding for title I: $1 billion a year since President Bush has been in office. Every year, $1 billion, $1 billion, $1 billion on top of the prior amounts, as compared with 1993 through 1995. In fact, if we went back further, it would be worse coming in from the prior administration. So the commitment has been there.

If we look at the history of title I increases, which is what this amendment is about, and compare what President Clinton did when the Democrats were in control to what President Bush has done since he has been in charge, during the 1994 to 2001 period, over the 8-year period, President Clinton proposed $2.4 billion in increases in title I funding; in 3 years, President Bush has proposed $3.9 billion in increases in funding.

It is very easy to come to the floor in a difficult fiscal time when we are facing a war, when there are a lot of pressures on us because of a deficit, and say you have no responsibility because you do not produce budgets that you are willing to increase spending ad infinitum, which is what this amendment essentially does. It is a little more difficult, however, in a time of deficits, when we are at war, to come forward and actually increase spending, which is exactly what President Bush did.

I note, during this period, 1994 to 2001, we were running surpluses. The opportunity was there to increase spending without a great deal of choice in the area of priorities. Today it is a much tougher situation, and the choices on priorities have been made, and President Bush is committed to that funding.

Now I will go to one other chart, which I find absolutely startling because I think this shows some of these amendments we are going to be getting from the other side, especially on the issue of education, are taking advantage of the fact that the other side does not have to produce a budget.

Let's look back when they did, theoretically, have to produce a budget. Of course, they did not. We could go back to their budget, which was a blank page, but they did produce an appropriations bill, which they never passed. In fact, they never even called it to the floor of the Senate. It took the Republican Congress 2 weeks to pass it. The other side had a whole year. They were not able to do it, but we were able to do it. I will get into the numbers there, but the fact is when they produced their budget, or their appropriations bill, what did they have in their numbers for funding? They had $11.8 billion. What was the authorization level? It was $16 billion. So by their own terms, the last time they had control, the last time they had the opportunity to do the job of governing, they underfunded the title I account by $4 billion—by their terminology, not by mine.

How many children did they silence, to use the term of Senator KENNEDY? How many are added up in that $4 billion figure? I do not know. Personally, I do not think that is a proper way to address it, but if those are the terminologies one is going to use, then what is good for the goose is good for the gander. The fact is they were $4 billion short of their own goal. So a lot of what we are hearing today is tilting with straw dogs when it comes to the issue of how much is being spent and who is spending what.

Let's look a little bit, though, at what this President has done—a 145 percent increase in education funding, as compared with health, as compared with defense, a huge increase.

The argument is being made that title I has not been fully funded because the authorization levels have not been met. That, of course, goes to this chart. If we were to fully fund every bill that has been authorized by this Congress—well, just by our committee—we would be talking trillions of dollars. We all recognize that authorization level is not the level at which we end up. We end up at an appropriated level. And the question becomes: How do different accounts compete within those appropriation accounts? Who is being successful, who is not? Where are the priorities? Where are the choices being made?

The point this chart unalterably makes is that as far as this administration is concerned, the priority is education—a billion dollars of new funding for title I every year since this administration has been in office—in fact, $1.5 billion one year, I think, and $1 billion for special education funding every year since this administration has been in office, which compares rather starkly, as I mentioned, with the Clinton years in the area of title I, where essentially there were very little funding increases. Over 7 years, it was $2.4 billion as compared with $3.9 billion for the Bush administration.

The issue of whether or not this is an unfunded mandate is a total misrepresentation relative to No Child Left Behind. The fact is the funding that is flowing into the States to support No Child Left Behind is flowing in before the States and the communities have an obligation to do things under No Child Left Behind. We are actually prefunding many, if not all, of the obligations which the States are assuming under No Child Left Behind to the extent we ask them to do things.

For example, testing regime. In the State of New Hampshire it costs about $300,000 to produce a test. Under No Child Left Behind, we have asked that instead of testing three grades, they are going to have to test three more grades, a number of more grades, actually, but they do not have to have those tests up and running for awhile. However, we are giving them the money today to design the tests. Not only are we giving them money, but on the average we are giving New Hampshire at least $500,000 to develop new tests. It only costs them $300,000 to do the test. They are making $200,000 per test that they develop, and that is true across the country.

It is also true of the basic funding regime relative to issues, for example, like teachers. We heard a little talk about teachers. The President's commitment for funding for teachers is up 35 percent over what the prior administration did, a $726 million increase coming into this year.

More importantly, under No Child Left Behind, we no longer put strings behind those dollars. We say to the local school districts, instead of having to use this new money, the 35 percent increase in funding for education for teachers and for teacher support, instead of having to use that money to hire more teachers, you, the principal, can make the decision to use that money to hire more teachers, if that is what you need, to pay your best teachers more, if that is what you think is going to get you good teachers to stay there, to give your teachers better education by sending them out to schools and getting supplemental education for them, by giving them technology support. You have the choice. You, the school district, are going to get this extra money. Plus, you are going to get it without strings. You are going to have flexibility as to how to use it so you can make that dollar go further.

So to represent that the teacher side of the No Child Left Behind bill has not only been underfunded but is not being adequately managed is just inaccurate. The fact is, it has been funded, it has been increased, and it is a dramatically more liberal use of the dollars at the discretion of the local school district. I know they are going to get more for the dollars spent.

Now I guess we are going to have time later on—I ask the Chair how much time I have remaining?

The PRESIDING OFFICER. Two minutes.

Mr. GREGG. The record on special education is even more dramatic. Where the Clinton administration essentially flatlined special education for 8 years, this administration has increased it, by historic levels, over a billion dollars a year every year—dramatic increases for special education.

We will get into that. We will get into the issue of the Pell grants, where the numbers are equally stark, where this administration has made huge commitments in comparison to the time when the responsibilities for funding education actually fell into the hands of our colleagues across the aisle. But what we have today, unfortunately, is an attempt to use the lack of responsibility to have to produce a budget to throw out numbers which are irresponsible and claim that they are responsible.

The last budget the Democrats produced on the issue of education was a blank. That is what they brought to the floor on the issue of education last year, whereas the President of the United States stepped up to the plate and increased title I funding by $3.9 billion in 3 years. That is real commitment to the kids of America.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent that Senator DODD be listed as a cosponsor on my amendment.

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

Mrs. MURRAY. I yield 2 minutes to the Senator from Massachusetts and then 4 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I ask unanimous consent that the Department of Education's fiscal year 2004 President's budget be printed in the RECORD.

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

DEPARTMENT OF EDUCATION FISCAL YEAR 2004 PRESIDENT'S BUDGET

[In thousands of dollars

Office, account, program and activity	DIM	2002 appropriation	2003 President's request	2003 appropriation	2004 President's request	Change from 2003 appropriation
Contributions (DEOA, section 421)	M	485	0	0	0	0
Outlays	M	469	85	0	0	0
General fund receipts:						
1. Perkins loan repayments	M	(39,041)	(50,000)	(50,000)	(50,000)	0
2. CHAFL downward reestimate of loan subsidies	M	(27)	(27)	(27)	0	27
Total	.....	(39,068)	(50,027)	(50,027)	(50,000)	27
Outlays, Total	.....	(39,068)	(50,027)	(50,027)	(50,000)	27
Budget authority total, Education Department	.....	55,747,031	60,403,502	60,962,382	63,626,734	2,664,352
Discretionary funds	D	[2] 49,505,598	[2] 50,309,879	[2] 50,868,759	[2] 55,383,203	4,514,444
Mandatory funds	M	6,241,433	10,093,623	10,093,623	8,243,531	(1,850,092)
Outlays total, Education Department	.....	46,285,284	59,379,318	59,753,542	58,864,922	(888,620)
Discretionary funds	D	41,305,647	50,039,352	50,272,152	51,170,323	898,171
Mandatory funds	M	4,979,637	9,339,966	9,481,390	7,694,599	(1,786,791)

[1] Excludes funds for increased agency pension and annuitant health benefits costs, which are currently paid from a central Office of Personnel Management fund: $23,728 thousand in fiscal year 2003 and $22,528 thousand in fiscal year 2004.

[2] Excludes a total of $15,011,301 thousand in advance appropriations that becomes available on October 1 of the succeeding fiscal year.

[3] Excludes a total of $17,255,301 thousand in advance appropriations that becomes available on October 1 of fiscal year 2004.

Note: Appropriation totals displayed above reflect the total funds provided in the year of appropriation, including advance appropriation amounts that do not become available until the succeeding fiscal year. The total budget authority reflects funds that become available in the fiscal year shown, which includes new amounts provided for that fiscal year and amounts advanced from the prior year's appropriation.

Note: This budget replaces the table prepared when the fiscal year 2004 President's Budget was transmitted to Congress on February 3, 2003, prior to enactment of the fiscal year 2003 appropriation. The fiscal year 2003 appropriation has since been enacted and is included in this table. The fiscal year 2004 President's budget remains the same as requested on February 3.

Mr. KENNEDY. What it shows is the appropriations for 2002, $49 billion; the President's request is $50 billion. They added $400 million. Then the appropriations went up $3 billion because of the activity on the floor of the Senate. The next year the administration asked for $26 million—an increase of 5/100th of one percent. Let us look at the point my good friend, Senator GREGG, left behind. The point he has not disputed is we have 6.2 million children who are left behind. Let's forget what happened to the Republicans, let's forget what happened to the Democrats, and say let's accept the Murray amendment that will include 3 million more children. Let's not argue about the past. Let's argue about the future.

This amendment will increase by 3 million the number of children who will be covered. We have a chance to do that tonight. We have a chance to do that at 5 o'clock. That is what we are asking the Senate to do, instead of having additional tax breaks for the wealthiest individuals in this country.

Put the children first. That is what the Murray amendment would do.

I hope my good friend from New Hampshire will join us hand in hand together and support the Murray amendment, and we will cut in half the number of children being left behind.

Mr. GREGG. Will the Senator from Oklahoma yield a couple of minutes to respond?

Mr. NICKLES. I yield 4 minutes to my colleague.

Mr. GREGG. The Senator from Massachusetts argued it might have credibility and might have legs were it not for the fact there is presently—because of the huge amount of money the President of the United States, George Bush, has put into this account—there is presently unspent title I dollars representing billions.

Mr. KENNEDY. Will the Senator yield?

Mr. GREGG. Is this a question?

Mr. KENNEDY. Yes. The Senator is not surprised on that because they always commit that money in July of the next year. You can use all the charts you want; it is committed and it is expended in July. Everyone understands that.

Mr. GREGG. I appreciate the Senator's question, and I am sure it was a question, although I never really actually heard the question.

But I make the point this is 2001 money, 2 years ago; August has already come and gone for 2001; and 2002 is fast approaching.

The fact is, we are putting so much money in the pipeline so fast because we are prefunding this issue, as we should be, that we are not creating an unfunded mandate. We are actually creating a situation where many States are, for at least the moment, not making money but seeing a significant surplus in the amount of money coming in relationship to the amount of money they are having to spend to reach the goals of No Child Left Behind, which, as we all know, is to give low-income kids a better shot at the American dream by educating them properly.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me speak for the 4 minutes I was allocated by the Senator from Washington to support the amendment Senator MURRAY and Senator KENNEDY have put forward. I compliment them on the leadership they provide on education issues and this amendment in particular.

I heard my colleague from New Hampshire talk about how we cannot just increase funding ad infinitum, that what this amendment would do is throw out numbers that are irresponsible. That was one of his phrases.

As I understand the amendment, and the reason I am cosponsoring the amendment, this amendment proposes to fully fund the No Child Left Behind Act. All it is saying is we made an agreement on a bipartisan basis. The President participated in that agreement. We told the people of our States and our school districts that we were going to provide a certain level of support to help them implement the No Child Left Behind Act. The budget before the Senate does not do that.

The suggestion is made that the reason it has not done that is because there is surplus money that has come into the State and we prefunded things and they have not been able to spend the money in the pipeline. This is news to the school districts in my State and to the people involved with trying to educate the children in my State. In fact, when I go home, what I hear from people in my State is that we have these new requirements, we need assistance, we need resources. If you want us to train teachers' aides, which we want to do, if you want us to raise the level of qualifications of our teachers, which we want to do, please help. Please come through with the resources that were committed in the No Child Left Behind Act. That is exactly what this amendment tries to do.

The other comment I heard was we cannot fully fund every bill that is authorized in this Congress. That is not what the Senator from Washington and the Senator from Massachusetts are proposing. They are saying, let's just fully fund this bill. Let's take education and recognize that it needs to be a priority.

In this budget resolution, we have over $1.3 trillion in tax cuts. Now, is it too much to say that $8.9 billion of additional funds should go into education? I don't think that is an unreasonable request. I think, clearly, the priorities of the American people would be with us, and they would agree, let's fully fund the No Child Left Behind Act before we start cutting taxes.

We all know we have enormous other expenses that are coming at us as a result of the war that is imminent in Iraq. I certainly intend to support those expenditures, but to suggest that we do not have enough money left to pursue our education funding, to keep the promise we made to the American people at the time the No Child Left Behind Act was signed into law, is very unfortunate.

I participated with the Secretary of Education when he came to my State and had something of a rally in Albuquerque to talk about No Child Left Behind and what a wonderful thing it was for the State. I supported that legislation. I supported it all the way through. I worked with my colleagues to try to be sure it made good sense and fit the circumstances of our State. But I did so always on the assumption that we would then come along and provide the Federal support to the States for local school districts to implement those improvements.

I think it is essential we do that. I think it is essential we adopt the Murray-Kennedy amendment. I hope our colleagues will support this amendment and keep faith with the young people of our country.

Everyone in this body gives speeches talking about how the future lies with the children of the country. We need to do right by them and adopt this amendment and make education a priority in this budget.

The pending budget simply sets the wrong priorities by providing over $1.3 trillion in tax benefits to the wealthiest while cutting education funding.

This budget abandons the promise to leave no child behind by cutting funding for the No Child Left Behind Act—legislation repeatedly embraced by the Administration and passed by a strong bipartisan vote just last Congress—by $700 million.

Under this budget, Title I—the program targeted on districts and schools with large numbers of disadvantaged students—would be approximately $5.8 billion short compared to the levels agreed to on a bipartisan basis in the No Child Left Behind Act. As a result, over 6 million poor children will be left behind.

In addition, over 500,000 children will lose access to after school services under these funding levels.

The budget before us also contemplates eliminating funding for key education programs—again enacted on a bipartisan basis last Congress.

For example, the budget contemplates eliminating funding for the dropout prevention program, at a time when the pressure is greater than ever to push at risk students out so they do not negatively impact school performance.

The budget also contemplates cutting existing programs that provide research-based strategies for schools to improve academic achievement and reduce dropout rates. For example, the smaller communities program provides funds to schools seeking to create personalized learning environments that research proves will increase student academic achievement, reduce dropout rates, and increase school safety. It is exactly the type of reform effort that we endorsed and indeed required in the No Child Left Behind Act. It is the type of program that we should expand, rather than eliminate.

If we truly intend to leave no child behind, education funding—particularly funding for the programs targeted toward the most disadvantaged children—must be our top priority, not our last.

The funding provided in this amendment would achieve that goal by providing funding sufficient to serve another 2 million needy children under the Title I program. In addition, every one of the 10,000 schools currently identified as not meeting the standards provided in the No Child Left Behind Act will be able to implement research-based school reform models.

We also will be able to maintain the current level of after-school services while expanding after school programs to another 1.3 million latchkey children.

We would be able to make substantial contributions to the quality of instruction by providing enough funding to hire 50,000 fully qualified teachers and provide professional development to 200,000 teachers.

Finally, we will be able to continue key programs such as the dropout prevention program and smaller learning communities programs.

This amendment can make a real difference for our states and local districts.

As my colleagues know, State cuts to education caused by ''the most ominous fiscal crisis since World War II'' make Federal support ever more crucial for local communities. States face a cumulative $80 billion budget deficit, with a dozen States cutting k–12 spending last year and another 11 poised to do so this year.

States and communities across the Nation are being forced to cut services due to increased demands and reduced resources. For example, in Oregon school districts are carving weeks of instruction off the school year. One thousand teacher positions have been lost in Oregon so far this year. The schools in Arkansas, Louisiana, South Dakota, and Colorado are cutting back to a four-day week to trim costs. In Alabama, the schools are being forced to raise the class sizes, cut back extracurricular activities, and lay off 2,000 teachers and support staff. In Kentucky, 1,000 teacher and support positions have been cut and their technology programs have been slashed. In Massachusetts, dozens of school nurses have been laid off.

As a result, it is not a surprise that a bipartisan poll recently demonstrated that a majority of Americans support increased Federal support for education and more voters name education as their top budget priority for next year than any other issue. Education ranks more than 10 points higher than the next 2 highest budget priorities—health care and terrorism/security.

I urge my colleagues to support the amendment and thank my colleagues again for their leadership.

Mr. SARBANES. Mr. President, I express my strong support for the amendment offered by Senators Murray and Kennedy to increase funds for the No Child Left Behind Act by $8.9 billion, fully funding this critical legislation. The amendment also includes $8.9 billion for deficit reduction. Both the education and deficit reduction funding are taken from the dividend tax cut. It is imperative that Congress sends a strong message in support of education that is accompanied by equally strong funding.

The budget resolution we consider today fails to provide sufficient funding for education programs at all levels. Despite the Administration rhetoric that places great importance on improving educational opportunities for all Americans, President Bush's budget underfunds a variety of programs—early childhood education, elementary education, vocational education, and higher education—that are especially important to families given the weak economy.

States are struggling with budget shortfalls, rising student enrollment, and an increasing number of students with limited English proficiency. At the same time, States are working to meet the new requirements of the No Child Left Behind Act. I supported the No Child Left Behind Act because I agreed with its principles—all public school children should be able to achieve and all schools should be held accountable when their students fail to do so. I believed the President when he said education would be a priority. But now we face a budget that does not make education a priority. Instead, we are asked to support a budget that somehow finds the money to provide a tax cut for the wealthiest individuals, but cannot do so for the education of our Nation's children.

This budget provides only a 2 percent overall increase for education programs, and some increases such as those for both Title I and IDEA, are largely paid for with cuts to other valuable education programs. Funding for the No Child Left Behind Act is cut by $700 million below fiscal year 2003 levels. It shortchanges Title I funding by $5.8 billion below the authorized level. Title I could reach only 40 percent of eligible low-income children at this level. This budget also cuts funding for teacher quality programs, after school programs, and eliminates 46 education initiatives.

The No Child Left Behind Act places a variety of new requirements on States and local school districts, including annual standardized testing and increased teacher certification. While we can expect our educators to do all within their power to improve our schools, we cannot expect this landmark legislation to be effective if they are not given the resources to implement these programs. If this amendment passes, over 2 million additional needy children will be served by Title I, after school opportunities would be extended to an additional 1.3 million latchkey kids, and 50,000 new teachers could become fully qualified.

I find it unconscionable that we can consider a tax cut aimed at the wealthiest Americans while purporting to be unable to adequately fund education programs. Now is the time to move beyond the rhetoric and show teachers, parents and students that we are sincere in our efforts to help them. I urge my colleagues to vote in favor of the Murray-Kennedy amendment.

Mr. KERRY. Mr. President, I am pleased to be a cosponsor of Senator MURRAY's amendment to the budget resolution that will fully fund the No Child Left Behind Act. I regret that I will not be present for the vote, but if I were present I would vote for the Murray amendment to increase education funding by $8.9 billion.

Unfortunately, both the budget resolution that we are debating and President Bush's proposed fiscal year 2004 budget do not fulfill the funding commitment that Congress made when we passed the No Child Left Behind Act into law. In fact, the budget resolution contains a $700 million cut in funding for the No Child Left Behind Act compared to the fiscal year 2003 levels.

The budget resolution's title I funding leaves more than 6 million disadvantaged children behind. There is no increase for teacher quality funds, even though nearly 40 percent of title I children are taught by teachers without a college degree in their primary instructional field and our schools will need to hire 2 million new teachers over the next decade. While 6 million latchkey children currently go without afterschool programs, this budget cuts afterschool funding for more than 500,000 children. And it eliminates all funding for rural education, dropout prevention, preparing tomorrow's teachers in technology, and smaller learning communities among other things.

We have said it time and again during debate on No Child Left Behind and since it became law: new reforms and stronger accountability systems are not going to work if we don't provide resources to ensure that all children can learn to high standards. That means providing the full authorized amount of title I funding, it means helping schools meet the major new requirements for teacher quality that the law imposed, and it means increasing not slashing funding for afterschool programs. I hope all of my colleagues can support this important amendment.

Mrs. BOXER. Mr. President, I would first like to thank Senator MURRAY for this critical amendment to deliver on the promise we made to the Nation's children by fully funding the No Child Left Behind Act.

It has been over 1 year since the approval of the No Child Left Behind Act. But we are not fulfilling the promise made in that law and are, in fact, leaving millions of kids behind. The Nation has made little progress toward improving the quality of our children's education. In fact, we have taken a huge step backward by actually cutting funding for the education reform law that was enacted.

The Murray amendment will not only alleviate the fiscal crisis in our schools so that they can provide a high-quality education for our children, but it will provide funding to keep our children safe in afterschool programs.

As the author with Senator ENSIGN of the bipartisan afterschool program that President Bush signed into law as part of the No Child Left Behind Act, I want to emphasize how important the Federal afterschool program is to children and families across America. Dozens of respected, independent studies tell us that afterschool programs keep children safe, reduce crime and drug use, and improve academic performance.

However, despite strong evidence that keeping children safe after school can reduce juvenile crime and prevent children from engaging in risky behaviors, the administration's budget for fiscal year 2004 slashes Federal funding for afterschool programs by 40 percent.

This unprecedented cut would result in over 81,000 children in California and almost 600,000 children nationally being pushed out onto the streets after school. Furthermore, by not fully funding afterschool programs at the level that we promised in the No Child Left Behind Act, we will be leaving over a million more children not just behind, but home alone.

We cannot afford to neglect our commitment to our Nation's children. The time for rhetoric has passed and now it is time to act. It is time to fully fund afterschool programs and the entire No Child Left Behind Act.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. How much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 10 minutes and the Senator from Washington has 4 minutes.

Mr. NICKLES. I yield 4 minutes to the Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I congratulate the Senator from New Hampshire and other Senators who have been working hard on the Leave No Child Behind legislation.

I am a new Senator and was not here when it was done. I watched it from a distance as a former Education Secretary, to see how the Federal Government, which contributes about $650 or so out of the $7,000 or so we spend per student in this country on K–12 education, could make a difference.

The principles of flexibility and accountability and the addition of more options for parents and significant additional funding have been a very good bipartisan start. The funding, which is the area at issue today, has been generous.

When I look at my own State of Tennessee, for example, we can always use a little more of the Federal dollars to help do what needs to be done, but the amount that has come in has been very helpful. For example, in fiscal year 2000—and this follows to a great extent what the Senator from New Hampshire said—and then in fiscal year 2001, President Clinton asked for $8 billion and then $8.3 billion. In fiscal year 2000, the Congress appropriated roughly what the President requested, and in fiscal year 2001, it appropriated $8.7 billion. Tennessee got $137 million in fiscal year 2000 and $141 million in fiscal year 2001 for title I funding, the largest federal program that helps low-income children. This is the money that focuses on leaving no child behind.

When President Bush came in, he asked for $9 billion and the Congress appropriated over $10 billion, and the share of title I funding for Tennessee went up to $152 million. In the budget we just finished in January, the President asked for $11 billion, and Congress provided $300 million more, and Tennessee's share went to $164 million. With the newest recommendation from the President, an increase of $1 billion, Tennessee is up to $174 million. These increases in title I funding are moving more rapidly than other parts of the federal budget.

Could it be more? Maybe I will suggest over time we spend more. But we need to recognize these are significant increases in spending to fund the new programs from the Federal Government, while staying within a reasonable budget.

In Nashville last week, I picked up an article about teachers, which you do not see that often, that talked about how much they appreciated the additional federal funding for ESL, English as a second language, and how it was helping and how the new money for this year, which we just finished appropriating a few weeks ago, is making its way into the school system. One of the teachers said this was the first year for major funding and it should really improve services.

So I stand here today to say that I compliment President Bush, and this Senate, and this Congress, for what they have accomplished in the last 2 years—significant increases in funding for title I and the IDEA program over what was being spent when President Bush took office, even in a time when we have a budget under stress and are considering a war. Education funding is growing at a more rapid rate, as it should, I believe, than virtually any other part of the budget. I am glad to see that.

I ask unanimous consent that the article from the Tennessean be printed in the RECORD, and I yield the floor.

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

[From the Tennessean, Mar. 17, 2003]

FEDERAL FUNDING HELPS DEFRAY LOCAL COST OF ESL PROGRAMS

(By Claudette Riley)

Students with limited English skills who enter Tennessee schools will now find classrooms that are better equipped than ever to meet their needs.

This year, the state received more than $2.24 million in federal funding to help public schools meet the needs of students served in English as a Second Language, or ESL, programs.

In recent years, local districts have shouldered the cost of providing the required services, with limited help from state funding or grants.

''This is the first year for major funding. It should really improve services,'' said Carol Irwin, ESL coordinator for the state Department of Education. ''It should put more professional development in place, pay for materials and technology, and hire more tutors and translators.''

Tennessee and other states with a steady influx of families from other countries are benefiting from a shift in the way federal ESL funds are allocated. National education officials used census data to determine how much each state would receive for this school year.

''It's made a tremendous difference. We went from a teacher and a half to a teacher with two full-time educational assistants,'' said Vivian McCord, director of federal projects for Dickson County schools. ''We meet with the children on a daily basis now, and they are given tutoring.''

Of the $2.24 million in federal funds allocated to Tennessee this year, nearly $1.8 million went directly to school districts, $112,000 was pulled out for administrative costs and another 15%—or $336,000—was awarded as grants to the school systems with the highest need.

''It's just encouraging for districts to know they'll have some financial help,'' Irwin said. ''The districts have been struggling to get this done.''

Based on existing numbers, the state will get $2.65 million in federal funding for ESL during the 2003—04 school year and nearly $3 million the next year, officials said.

''The numbers keep rising, and so we're getting more money,'' Irwin said.

The extra money is welcome news for the state's 138 school districts, many of which have reached deep into their own pockets to put the ESL programs in place.

The federal funding is helping us,'' said Sayra Hughes, coordinator of ESL for Metro schools, which received nearly $600,000 from the new funding. ''It's just an added bonus. It has assisted—the local funding is still there.''

The federal funding isn't expected to replace local contributions, but school officials said it would help them provide more staff and better services and materials.

Tennessee has 15,007 students in ESL programs, and 28.5% of them—4,283—are in Metro schools. The district received the largest chunk of the new federal funds.

''We're been able to purchase a lot of additional materials,'' Hughes said. ''We were able to increase the services provided by the tutor translators.''

Jan Lanier, chairwoman of the ESL department at Metro's Glencliff High School, said she would like to eventually put in a language laboratory and provide students struggling to learn English with better research materials and bilingual dictionaries.

''We have some, but we don't have enough for every class to have a full set.''

While district officials say the extra federal money is welcome, some note that it won't cover the cost of operating ESL programs.

We did have more money this year, but it didn't come close to covering what we spend on staff,'' said Andy Brummett, director of Lebanon Special School District. ''The majority of the money we spend to serve these children is local.''

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent to add Senator REED of Rhode Island as a cosponsor, and I yield him 2 minutes of my time.

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

Mr. REED. Mr. President, the choice before us is very clear: Are we going to devote $8.9 billion to tax cuts, most of them favoring the very rich, or are we going to devote $8.9 billion to the children and the schools of America? The choice is much more clear since the No Child Left Behind Act was passed because we made significant commitments to improve the quality of education in the United States while imposing significant responsibilities on the schools. The schools are expecting this money. The suggestion that there is a lot of money in the pipeline is interesting, but I would be shocked because that suggests the Department of Education is inept in getting money that is there to the schools that desperately need it.

There are 10,000 identified failing schools in this country. There are scores of children being taught by teachers without a college degree in their primary field of instruction. All of that needs remediation, help, and resources, but instead the budget before us provides billions in tax cuts when our schools desperately need that money.

It is not a question of what we did last year, it is a question of what we will do this year. It is a question of whether we will meet the needs of the American students and whether we will keep the promises of the No Child Left Behind Act. We are not keeping those promises in the budget that is presented to us by the Budget Committee. We should keep those promises, and by doing so, we will do something I believe every American wants more than tax cuts that favor very wealthy Americans. We want to see every child in this country have a decent education, succeed, contribute, and be part of this great country. That is what the Murray amendment does.

The choice before us is clear, compelling, emphatic: Put the money with the schools and the children, and our economy will be better, and our schools and students will be better. We can afford it because if we do not commit the funding to the children, it will go to tax cuts primarily to upper income Americans.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NICKLES. How much time remains on both sides?

The PRESIDING OFFICER. Six minutes for the Senator from Oklahoma, 2 minutes for the Senator from Washington.

Mr. NICKLES. I yield myself 3 minutes.

Mr. President, when we marked up our budget, we put in a couple of billion dollars actually over the President's request. I mentioned to my colleagues then: No matter what we put in, there are going to be amendments on the floor to increase education.

I might show our colleagues—Senator GREGG did this far better than I—education funding under this President as compared to President Clinton has exploded. It has gone up dramatically. Title I, which addresses the issue we have before us on No Child Left Behind—if you look at the rate of growth we have in title I grants, it is a dramatic increase.

The Senator from Washington has an amendment. This might even show it better. It shows that the spending level basically in the last few years, under this President compared to the previous President, has had a dramatic increase. As a percentage, I might mention, it went up in title I percentages of 10.3, 18.1, 12.9, 8.6—big increases.

The Senator from Washington has an amendment that says let's do No Child Left Behind and let's go from $23 billion—let's add another $8.9 billion, which would be a 38.7 percent increase for 1 year. It says $8.9 billion. It doesn't sound like much. Most of the figures we are dealing with are over 10 years. This is 1 year. We only increased nondefense discretionary spending by $10 billion. This is $9 billion for education, and not all education, just part of education. I understand there will be amendments later to deal with IDEA, and we put in an additional $1 billion for IDEA, we put in an additional $1 billion for title I at the request of the chairman of the HELP Committee, who was a strong leader and made an excellent presentation.

No matter what we do, no matter how high the percentage increases we have, even if they are double digits, there are amendments that will say let's do more. This amendment says let's do 38.7 percent more. I think it is irresponsible, and I will urge my colleagues at an appropriate time to support a motion to table the amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Mrs. MURRAY. Mr. President, we are about to vote on a very important amendment. Not very long ago, the Members of this body voted to pass a bill called No Child Left Behind. The budget that is put forward to us today will leave thousands of children behind if we do not fulfill the commitment we have made.

I have listened to the arguments on the other side. I have seen the charts and graphs. If there is one thing I have learned here in the Senate, it is that you can have a chart or graph to show whatever you want it to show. But what I do know is Senator KENNEDY showed on the chart behind us, 3 million more children in this country, 3 million more children need more funding if they want to meet the obligations of No Child Left Behind; 50,000 fully qualified teachers need to be hired; we need to provide training for 200,000 teachers. The numbers are really clear.

If you look at the Republican budget itself, their document shows 46 programs that have been eliminated in their budget: Adult education, community technology, dropout prevention, elementary and secondary school counseling, foreign language, physical education, rural education, vocational education. These are programs listed in their budget that they cut.

We can put up charts and graphs, but I can tell you one thing: The children in our schools, the parents who take their children there, the teachers who teach there, the community members who work in our schools all know when we pass a bill and say we are going to test our kids at the Federal level and we do not provide the resources to make sure those children can learn, we pass on an unfunded mandate that is irresponsible to our States that are struggling today.

The amendment we are about to vote on fully funds title I. It continues the effort to hire 100,000 qualified teachers. It helps to put high-quality teachers in the classrooms and continues to make sure we fulfill our obligations.

Tougher accountability without adequate reform is not reform, it is politics. We know our children need books, they need teachers, they need the programs, and they need the Federal Government to live up to its responsibility. That is what this amendment does.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Oklahoma.

Mr. NICKLES. I yield the remainder of our time to the Senator from New Hampshire.

Mr. GREGG. There have been a lot of representations here, but we need to go back to the fact that on our side of the aisle we had to produce a budget—and we did, something that didn't happen last year from the other side of the aisle relative to bringing it to the floor.

When the other side of the aisle was talking dollars, they were willing to give up on $4 billion relative to children in title I. That was their gap last year in their appropriating bill. For them to come forward this year and say suddenly that gap is an unacceptable event and inappropriate and inconsistent with everything that is right about taking care of our children in this country is truly a bit of an inconsistency, to be kind.

The issue of balancing this against a tax cut I find difficult. Tax cut for the rich? Sixty percent of the people who get the dividends cut, should we actually put it in place, are going to be senior citizens. It is their money. It is their money.

The issue is, how do you prioritize spending? The President of the United States has prioritized spending. He has put education right at the top of his priorities, at a much higher level than President Clinton put it—in fact, at a level so much higher than President Clinton put it that it represents a factor of two or three times what President Clinton did during his time in office.

He has done it at the same time as he has limited overall spending of the Federal Government. The spending on education in this bill significantly exceeds the overall spending of the Federal Government in all accounts except possibly defense, because we are at war. That is a hard commitment, and it translates into real dollars, $1 billion of additional money every year since he has been President for title I, for IDEA, over $3 billion of new money—$3.9 billion—for title I. Those are hard dollars, real dollars, done in a responsible budgeting way.

Mr. President, is my time up?

The PRESIDING OFFICER. Yes. All time has expired.

Mr. GREGG. Mr. President, I yield the floor.

Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion to table amendment No. 284.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from North Carolina (Mr. EDWARDS) and the Senator from Massachusetts (Mr. KERRY), are necessarily absent. I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote no.

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

The result was announced—yeas 50, nays 48, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—50

Alexander	Domenici	Miller
Allard	Ensign	Murkowski
Allen	Enzi	Nickles
Bennett	Fitzgerald	Roberts
Bond	Frist	Santorum
Brownback	Graham (SC)	Sessions
Bunning	Grassley	Shelby
Burns	Gregg	Smith
Chafee	Hagel	Snowe
Chambliss	Hatch	Specter
Cochran	Hutchison	Stevens
Coleman	Inhofe	Sununu
Cornyn	Kyl	Talent
Craig	Lott	Thomas
Crapo	Lugar	Voinovich
DeWine	McCain	Warner
Dole	McConnell	

NAYS—48

Akaka	Dayton	Leahy
Baucus	Dodd	Levin
Bayh	Dorgan	Lieberman
Biden	Durbin	Lincoln
Bingaman	Feingold	Mikulski
Boxer	Feinstein	Murray
Breaux	Graham (FL)	Nelson (FL)
Byrd	Harkin	Nelson (NE)
Campbell	Hollings	Pryor
Cantwell	Inouye	Reed
Carper	Jeffords	Reid
Clinton	Johnson	Rockefeller
Collins	Kennedy	Sarbanes
Conrad	Kohl	Schumer
Corzine	Landrieu	Stabenow
Daschle	Lautenberg	Wyden

NOT VOTING—2

Edwards Kerry

The motion was agreed to.

Mr. NICKLES. Madam President, I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Madam President, for the information of our colleagues, this is Wednesday night. I ask the Parliamentarian, how many hours are left on both sides?

The PRESIDING OFFICER. On the majority side, there are 10 hours 17 minutes remaining. On the minority side, there are 11 hours 42 minutes remaining.

Mr. NICKLES. For the information of our colleagues, this is Wednesday. We are working very aggressively to finish this bill. I have tried to see if we could not advance a lot of the major amendments, including the 350 amendment. I have been trying to get that up all day. I have not been successful, but I understand we will have that up tomorrow.

Several people have been asking about this amendment. This is the amendment that would reduce the growth package from $725 billion to $350 billion. I suspect we will have votes on that tomorrow. It is my expectation tonight, for the information of my colleagues, as long as the majority leader is willing, we will stay in until midnight tonight. Several people said they did not want to have votes tonight, that they have other things to do.

I have consulted with my friend and colleague from North Dakota who has been a pleasure to work with on this resolution, and we both know we have a lot of amendments with which we need to deal. I urge my colleagues to work with us and not surprise us with their amendments, show us their amendments, and we will see if we can agree to them or work out a time agreement on them and see if we can finish this resolution in a timely, orderly fashion, in a way we would be proud to function. Sometimes the Senate does not do that when we handle budgets.

It would be my expectation that we would stay in at least until midnight tonight and consider several amendments. I believe we now have three amendments in order. Senator KYL has an amendment dealing with the death tax; Senator GRAHAM of Florida has an amendment dealing with prescription drugs; and Senators COLLINS and ROCKEFELLER have an amendment dealing with assistance to States.

We are willing to consider all those amendments and additional amendments tonight. I will yield the floor. It is our expectation there will not be any additional rollcall votes tonight, but that does not mean the Senate will not be considering amendments.

I urge my colleagues, if they have amendments, please work with Senator CONRAD and myself to have those amendments timely considered.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, let me rivet a point that the chairman of the budget committee is making. We have three additional amendments lined up, but we should do more amendments tonight. If we are serious about avoiding a vote-arama at the end, where we do not have a chance to describe amendments, we just have to vote on amendment after amendment, the way to do that is not to do our work now.

I say to some colleagues who have said they have to make a change in amendments, it is not convenient for them to come tonight, if we are going to get this done, they have to put aside convenience and get over here and offer their amendments. There is a limited amount of time remaining to debate and discuss amendments, and people are going to lose their opportunity—let me make that very clear on our side—to have time to debate their amendment. They will get a vote because the rules allow that, but they are going to lose their chance to debate and discuss it. So this is the time, if they want to debate an amendment, to get over here and offer the amendment.

Mr. DORGAN. If my colleague will yield for a question?

Mr. CONRAD. Be happy to yield.

Mr. DORGAN. I ask my colleague, and perhaps Senator NICKLES and the majority leader as well, I fully agree with the notion we need to move along, address these amendments, try to get through this budget resolution, but I also understand, as do most of my colleagues, that the potential of military action is imminent—perhaps hours, perhaps a day, perhaps two days, I do not know, but my expectation would be when military action is commenced and our sons and daughters of America are ordered to military action and in the field, almost every Senator will want to address and discuss that issue. My hope and expectation would be at that moment, when we see what is the most serious decision faced by our country, that is, sending our young men and women to combat, that we would want to leave the budget and have an ample amount of time for every Member of the Senate to address that issue.

I inquire of my colleague and others who are managing this bill whether that interval will be made available to Members of the Senate?

Mr. CONRAD. I respond to my colleague by saying I hope that would be the case if we find ourselves at war, that there would be an ample opportunity for Senators to address that. My own belief is that would be appropriate for the Senate to do, to turn its attention to a state of war. My own belief is it would be inappropriate for us to continue on with business as usual when we have our sons and daughters in harm's way.

I am very hopeful if it comes to that, during this period while we are debating the budget, that it would be set aside for a time so there would be a discussion in the Chamber and the Senators have a chance to express themselves.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. Madam President, I have a couple of objectives. First and foremost will be an appropriate response to military action if our women and men are engaged in combat. There will be an appropriate response in terms of support for our Commander in Chief, as well as the military personnel, which will be discussed on the floor. There will be an opportunity to do that. At this juncture, we do not know when that will occur, if it will occur. In all likelihood, it will occur at some juncture. I think the fact we are hearing from both sides of the aisle that it is important to do—yet the time is uncertain—means I need to go back to the first point the chairman and ranking member made, and that is we have a lot of work to do; that the clock is ticking. The clock is ticking in terms of the budget process itself, in terms of the number of hours on both sides of the aisle. It is critically important that Members of this body come to the floor to offer amendments, to come up with specific language, to debate it and discuss it. That is the reason we are going to be here for the next 6 hours to give that opportunity to Members. We will start in the morning at an early hour in order to fulfill our responsibilities in terms of the budget. That is the plan.

We will finish the budget this week. It may be tomorrow or tomorrow night. It may be Friday morning, it may be Friday afternoon, it may be Friday night, but we will finish this budget this week.

Mr. DORGAN. Will the majority yield for one question?

Mr. FRIST. Yes.

Mr. DORGAN. Madam President, I, of course, think the response by the majority leader is perfectly appropriate. We do want to finish this bill. We ought to make progress and try and get it done. My only inquiry was if there is military action and if, in fact, our soldiers are in the field in hostile action, I agree with my colleague, Senator CONRAD, that I would not want us to be going through a vote-arama for 6, 8, 10, 12 hours with business as usual. I would very much want us, and I think most Members of the Senate would want us, to move off what we are doing and recognize that this Senate will want to express itself on these issues, not to be critical but I think to be supportive, supportive of our troops and supportive of this country's interests. We want this to go well and we want to express ourselves on it.

I am satisfied with the majority leader's response. I wanted to say I feel strongly, as do many others in this Chamber, about the desire to address our support for those troops who are ordered to action, if that is the case.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. As we talked about this morning, a resolution of support for President Bush, and the men and women, our troops, who will be in the field, is being developed in concert with the minority leader, myself, and others. We are working on that language, as the Senator well knows, as we speak.

If and when military action occurs, that will be brought to the floor in short order, with an opportunity to express that very important support.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. HARKIN. Will the Senator yield?

Mr. NICKLES. I will be happy to yield to my friend for a question.

Mr. HARKIN. Let me ask a question on process. A lot of us would like to offer amendments. This thing gets plugged up and goes on hour after hour. If the Senator wants to be in until midnight, that is fine. I have an amendment I would like to offer, but should I offer it at 8, 9, 10, 11, or 12? I would like some idea of where I am going to be in the queue, but just to say come and offer amendments is not very conducive to an orderly process. So if there is some kind of queue, will there be time limits put on these amendments so we have some idea of when we should come over to offer our amendments? Since we are not going to have any votes, it would be nice to have some idea of when we could come over and offer our amendments.

Mr. NICKLES. I will be happy to respond. Most of the amendments have been offered on the minority side, and we are happy to consider amendments. I have been urging people to offer amendments dealing with the growth package. We need to find out if the growth package is going to be zero, if it is going to be 350, if it is going to be 725. So I would encourage those amendments. We had those amendments in committee. We ought to have them on the floor. If we are going to have them, let us have them.

I have also encouraged other amendments. Members can work with our colleague, Senator CONRAD, as far as trying to prioritize which amendments might be next on the minority side. I think that would be the likely outcome.

Colleagues on this side have been consulting me as far as who would be next on our side, and so at that point I think we might be better served to

begin considering amendments. Right now we have three amendments in the queue. I believe Senator KYL's amendment will not be debated too long tonight, maybe 30 minutes.

Mr. KYL. At most.

Mr. NICKLES. Thirty minutes for his. I believe Senator GRAHAM of Florida is going to discuss the prescription drug amendment. That is a pretty big amendment, a couple hundred billion dollars, I believe, and so that may take a little longer discussion. Then I believe there is also a resolution to be offered by Senator ROCKEFELLER and Senator COLLINS. That may take maybe an hour, maybe less than an hour. We will be available for consideration of additional amendments. We may set aside a lot of amendments tonight and stack those amendments that require a rollcall vote. Maybe most of these will not require a rollcall vote, but we are willing to stack some of these for votes for the convenience of all Members.

Mr. SARBANES. Will the chairman yield on that very point?

Mr. NICKLES. Be happy to.

Mr. SARBANES. When does the chairman intend to vote on the amendments that are going to be offered and considered this evening?

Mr. NICKLES. I would expect that will be tomorrow afternoon. I will make that decision after consulting both the majority leader and the ranking member of the Budget Committee.

Mr. SARBANES. Presumably, then, if it is tomorrow afternoon, there would be added to the list other amendments that will be offered tomorrow morning, is that the procedure?

Mr. NICKLES. That is correct. I say to my colleagues, for their information, I did consult with Senator BREAUX and Senator SNOWE, and I believe they are planning on offering the 350 amendment in the morning. That is a very significant amendment, just so people will know that will also be in the queue tomorrow morning.

Mr. DURBIN. Will the Senator yield for a question?

Mr. NICKLES. Be happy to yield.

Mr. DURBIN. I ask the Senator from Oklahoma, has anyone suggested a time limit on the debate on each of these amendments of no more than half an hour so more amendments can be debated? We know where we are headed. We are going to run out of time and some of the amendments will not even have 1 minute of debate if we are not careful.

Is it possible we could have a unanimous consent request to limit the debate to no more than half an hour on each amendment?

Mr. NICKLES. Responding to my colleague, it depends on the amendment. I don't know if we can agree to a half an hour agreement on an amendment that would increase spending on prescription drugs by $200 billion. That does not fit for a 30-minute discussion. Possibly other amendments might. So we will have to do an amendment-by-amendment basis.

The resolution says each amendment would have up to 2 hours. I am happy to shorten that when appropriate.

The PRESIDING OFFICER. Senator from North Dakota.

Mr. CONRAD. I wonder if, on the next three amendments, we might arrive at a time agreement for the convenience of our colleagues. The Senator from Arizona has been very generous. He has said we can have 30 minutes equally divided, something like that. Would that be appropriate?

Mr. NICKLES. We are not prepared to enter into that on that amendment yet, nor on the Graham amendment. Possibly on the Rockefeller-Collins and possibly after Senator COLLINS' amendment we might agree to some of these. But I don't think we are ready just yet.

Madam President, I yield to the Senator from Arizona for the purpose of introduction of an amendment.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 288

Mr. KYL. Madam President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 288.

Mr. KYL. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide financial security to family farm and small business owners by ending the unfair practice of taxing someone at death)

On page 3, line 9, decrease the amount by $200,000,000.

On page 3, line 10, decrease the amount by $5,200,000,000.

On page 3, line 11, decrease the amount by $10,200,000,000.

On page 3, line 12, decrease the amount by $34,600,000,000.

On page 3, line 13, decrease the amount by $31,600,000,000.

On page 3, line 14, decrease the amount by $34,100,000,000.

On page 3, line 15, decrease the amount by $36,600,000,000.

On page 3, line 16, decrease the amount by $31,100,000,000.

On page 3, line 17, decrease the amount by $33,700,000,000.

On page 3, line 18, decrease the amount by $58,100,000,000.

On page 3, line 19, decrease the amount by $63,900,000,000.

On page 3, line 23, decrease the amount by $200,000,000.

On page 4, line 1, decrease the amount by $5,200,000,000.

On page 4, line 2, decrease the amount by $10,200,000,000.

On page 4, line 3, decrease the amount by $34,600,000,000.

On page 4, line 4, decrease the amount by $31,600,000,000.

On page 4, line 5, decrease the amount by $34,100,000,000.

On page 4, line 6, decrease the amount by $36,600,000,000.

On page 4, line 7, decrease the amount by $31,100,000,000.

On page 4, line 8, decrease the amount by $33,700,000,000.

On page 4, line 9, decrease the amount by $58,100,000,000.

On page 4, line 10, decrease the amount by $63,900,000,000.

On page 41, line 22, decrease the amount by $85,000,000.

On page 41, line 23, decrease the amount by $85,000,000.

On page 42, line 2, decrease the amount by $4,692,000,000.

On page 42, line 3, decrease the amount by $4,692,000,000.

On page 42, line 6, decrease the amount by $9,406,000,000.

On page 42, line 7, decrease the amount by $9,406,000,000.

On page 42, line 10, decrease the amount by $33,617,000,000.

On page 42, line 11, decrease the amount by $33,617,000,000.

On page 42, line 14, decrease the amount by $30,324,000,000.

On page 42, line 15, decrease the amount by $30,324,000,000.

On page 42, line 18, decrease the amount by $32,408,000,000.

On page 42, line 19, decrease the amount by $32,408,000,000.

On page 42, line 22, decrease the amount by $35,018,000,000.

On page 42, line 23, decrease the amount by $35,018,000,000.

On page 43, line 2, decreased the amount by $28,750,000,000.

On page 43, line 3, decreased the amount by $28,750,000,000.

On page 43, line 6, decreased the amount by $2,515,000,000.

On page 43, line 7, decreased the amount by $2,515,000,000.

On page 43, line 10, decreased the amount by $336,000,000.

On page 43, line 11, decreased the amount by $336,000,000.

On page 43, line 14, decreased the amount by $347,000,000.

On page 43, line 15, decreased the amount by $347,000,000.

Mr. KYL. In the spirit of the day, I was going to take 30 minutes. I will take exactly half that time, 15 minutes, and perhaps later we can agree to a time limitation. We certainly should not need a great deal of time on this amendment.

This amendment is very simple. It simply moves forward 1 year the time for repeal of the estate tax or what is known as the death tax. As my colleagues know, we repealed the death tax permanently in the year effective January 1, 2010. This amendment moves that to January 1, 2009.

The reason for this is we can establish the proposition with this amendment that we do need to permanently repeal the estate tax. The budget that has been crafted by Senator NICKLES and his committee has accounted for 3 years of permanent repeal. So that is already accounted for in this budget. This amendment would bring that forward 1 more year, so we would have a total of 4 years of repeal of the estate tax accounted for in our budget.

We would still have to accomplish this, of course, by amendment or legislation. We cannot do it as part of the budget itself. This would create the opportunity for us to do that. That is the reason for my amendment.

Now, there are a lot of reasons we decided to repeal the estate tax, and I

don't think we need to repeat all of those tonight. The majority of this body supports repeal of the estate tax. We have passed repeal of the estate tax. There were good reasons for doing so, primarily because it is an unfair tax.

In addition to that, it hurts small business. If you have a business of, say, 25 employees and you have to sell your assets, your equipment, in order to pay your estate taxes, not only have you had to disband your business but you have also put 25 people out of work.

At this time in our economy where we are concerned about joblessness, where we want to create more jobs, not see more jobs disappear, knowing the estate tax is going to be permanently repealed even sooner than we anticipated will help businesses stay alive to provide the jobs and the economic growth we need.

We know by far and away the vast majority of the jobs in this country are created by small business.

There were a number of sponsors of our original repeal. I anticipate we will have a number of sponsors of this amendment.

I ask unanimous consent Senator SESSIONS be added as an original cosponsor of my amendment.

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

Mr. KYL. Rather than restating all the arguments for repeal, since we have already voted to do that, I will bring my colleagues up to date on some current research about what the American people believe about the estate tax.

A poll was conducted early this year between January 16 and 21. It was a poll of about three times as many people as are ordinarily interviewed. Over 2,500 registered voters were interviewed for this survey by a research company. Its findings ought to be of significant interest to my colleagues.

The bottom line is with respect to the estate tax. The conclusion of the poll is that the American people simply oppose, on principle, the concept of anyone being taxed on the death of their parents or their spouse.

I thought I would share just four specific results from this survey. When it comes to stimulating the economy, the poll confirmed that Americans overwhelmingly believe tax relief is more effective than increases in Government spending. This goes to the general proposition that is being debated between those who believe we should spend more to help our economy and those who believe we should provide tax relief.

The question was, Which is better for the Federal Government to stimulate the economy, increase economic growth, and create new jobs? And they were given two choices. One was the tax cut option, and the other was the spending option. Fully 68 percent chose the tax cut option, whereas only 20 percent said increased Government spending was the best for economic growth and the creation of new jobs.

Two of the subgroups are particularly fascinating. Among Democrats surveyed, the ratio in favor of tax cuts over increased spending is a healthy 2 to 1, 57 percent to 28 percent. I do not have it broken down by State, but among Democrats, if it is 2 to 1, I daresay among Republicans it is even more than that.

Among those with incomes below $30,000, 65 percent back the tax cut approach to improving the economy, while only 19 percent prefer increased Government spending. This is a significant finding in the survey.

If there is going to be a tax cut, the question is, Should everyone get something back or should we wait until we have a budget surplus? In other words, what of this argument that will be contributing to the deficit?

When given a choice of three options, even with the debate about the ballooning deficit, just one in four Americans, 24 percent, believe there should be no tax cuts for anyone until we have a budget surplus. Let me restate that. Only 24 percent of Americans believe it is improper to cut taxes while we have a deficit.

For those who believe the majority of Americans do not want to cut taxes until we are in a surplus situation, this survey demonstrates that is incorrect. Only 24 percent of Americans believe that.

To the third point, tax fairness. This is where we get into the death tax repeal specifically, but it relates to other taxes, too. As a general proposition, one expects people tend to favor taxes on someone else and to oppose taxes that affect them directly. And that is, as a general proposition, true. But what this survey of over 2,500 Americans just a couple of months ago confirms is that there is a very strong consensus that there are a couple of taxes that are absolutely unfair and it does not make any difference what demographic category you are in. Whether you are rich or poor, the overwhelming majority believes there are two taxes that are absolutely unfair, and there is an overwhelming consensus they should be repealed.

What are those two taxes? These are the two at the top of the list to the question, What tax do you think is completely unfair or completely fair? The two taxes people would repeal with the biggest majority are the Social Security benefit tax and the death tax.

Remember the tax that was imposed in the early Clinton years to actually tax Social Security benefits? That is very unpopular. Five percent of the people think it is completely fair; 62 percent think it is completely unfair.

With the death tax, 7 percent think it is completely fair and 62 percent also think that tax is completely unfair. Sixty-two percent of all Americans think it is completely unfair to have a death tax, and only 7 percent think it is completely fair.

All other taxes—marriage penalty tax, long distance phone tax, savings account tax, all the way down to stock dividends, payroll income tax, property tax, gas tax, sales tax, right down the list, and they get increasingly popular. The marriage penalty, 60 percent of Americans think that is completely unfair. We are doing away with that in the tax package we will present as part of the budget. Long distance phone tax, 38 percent of the people think that is unfair. Capital gains tax, 23 percent think it is unfair. Stock dividend, more think it is completely unfair than completely fair, 23 to 21, the payroll tax, and so on. You finally get down to an alcohol and beer tax. That is pretty unpopular. Only 8 percent think that is a bad deal; 57 percent think it is fine. It is pretty much the same number for the cigarette tax.

The bottom line is in this very recent extraordinarily large survey what we find is the two taxes the American people would repeal first and foremost are the tax on Social Security benefits and the estate tax. Fully 62 percent of the American people believe that tax to be completely unfair.

With regard to the death tax in particular, you would think that this would be a tax that rich people would really like to get rid of and poor people would like to keep. After all, by its very nature, if you have a business or family farm or have some wealth to pass on to your heirs, repealing this tax would benefit you more than someone who has absolutely nothing. What does the survey show?

Fully 65 percent of those with incomes below $30,000 believe the death tax is completely unfair. By comparison, a very interesting statistic, only 59 percent of individuals with incomes above $60,000 label the death tax unfair.

Ironically, more people at the lower end of the economic spectrum view this tax as completely unfair than when you get to be higher in the economic spectrum. The fact is, another poll, a Gallup poll, demonstrated the same phenomenon. Even though most people understood that repeal of the death tax would not benefit them personally, an overwhelming majority still favored repeal of the death tax. Why? Because they understand it is unfair.

One of the great things about this country and the American people is they have an innate sense of fairness. Even if something doesn't benefit them directly, they understand if it is wrong they are willing to support its repeal.

There are some other interesting survey results in terms of arguments against the death tax. I thought some of these were fun, and then I will close this out. If you ask certain questions about the death tax, for example, if you remind people that the highest rate of taxation for the death tax is 50 percent, then 79 percent of the people agree that is unfair and the tax should be repealed.

When you remind people that the inheritance tax represents double and triple taxation, again 79 percent believe it should be repealed.

With some of the arguments that are actual statements of fact with respect to the inheritance or estate tax, when reminded of that, the American people are even more strongly in support of its repeal than if they are not reminded of that. Also, when you remind people that the tax is unfair because it singles out those who save and invest, for no reason other than the fact that they became successful and then died—of course, the exact thing we try to teach people, save your money, invest it, try to pass it along to your kids. It is the American dream to make the next generation better off than your generation; if you live the American dream, you get punished. If you are broke, you don't get punished. Of course the American people, when reminded of that, are even stronger in favor of repeal.

The bottom line is every subgroup and fully 58 percent of the electorate as a whole, including, as I said, a majority of every subgroup, would vote for a candidate who advocates repeal of the death tax. Only 32 percent would vote for the candidate who supported maintaining the death tax.

The bottom line of all this research is it seems to me we would not be keeping faith with the American people unless we are willing to move forward the date that the death tax is repealed.

In the interim period of time, we are reducing the rate and we are also increasing the amount of income that is exempted from the inheritance tax. Both are good. But it seems to me, given this fact, that it is not too much to ask my colleagues to accelerate by 1 year the date that the tax is actually repealed. There will be some who say we cannot afford an immediate repeal today. To that I say, if that is your view, fine. That is not what we are doing here. I would prefer to do that.

I think we can compromise and agree that moving the repeal date forward 1 year is both something that is affordable and something that should be done.

This amendment is very straightforward. That is the long and short of it. I think I pointed out the American people would support this. I hope since the Senate has already gone on record by repealing the estate tax in the year 2010, that we would not be bashful about moving that forward by 1 year, to 2009.

I guess my question to the body when we finally bring this to a vote is, Did you mean it when you said we should repeal the estate tax? If so, let's move that repeal date forward by 1 year.

Mr. CONRAD. Mr. President, might I ask the author of this amendment what the cost is?

Mr. KYL. Mr. President, I will try to get the exact number here in just a moment. I am informed that the estimated cost is $46 billion.

Mr. CONRAD. It is $46 billion?

Mr. KYL. Correct.

Mr. CONRAD. Mr. President, I say to my colleague—

Mr. KYL. Might I add one more thing, that, in our amendment, is accounted for within the budget because the money is taken from another account so it is not added on to the expense of the budget.

Mr. CONRAD. That was going to be my next question, if I could, to the Senator. What is the way the Senator pays for this $46 billion?

Mr. KYL. Mr. President, I tell my colleague the function in the budget is No. 920. That is the source of the funding for this amendment.

Mr. CONRAD. Could the Senator tell us what constitutes 920?

Mr. KYL. That is a general fund for Finance Committee action at some specified date in the future.

Mr. CONRAD. I would say to my colleagues and the Senator from Arizona, it strikes me as ill-timed to come before the body and ask for another $46 billion when we are already deep in debt. We now know we are going to be facing deficits this year of $500 billion; the deficits as defined by law of over $300 billion every year for the next 10 years. We are going to be taking virtually every penny of the Social Security surplus under the chairman's mark. Now the Senator offers $46 billion, which he funds by reducing function 920. Function 920, of course, is a general governmental function, which is a popular place to reduce around here.

I say to my colleagues, it seems to me that a wiser course than full repeal, which costs, combined with this amendment, $207 billion over the period of this budget, when we are already running deficits under the chairman's mark of $1.7 trillion, that a wiser course would be, instead of waiting until 2009 to have an elimination of the estate tax, to have people waiting all of that time between now and then and having an exemption of $1 million currently, instead of that, we could go to a $3 million exemption per person, $6 million per couple, have it take effect now, and only cost $33 billion for the whole thing, a fraction of the cost of complete repeal. We would continue to have a functioning estate tax but fundamentally reform it: Change it, don't end it. Change it to say an individual would have $3 million completely sheltered; a family would have $6 million completely sheltered. With planning, they could do substantially more than that and have that effective now, have that effective in the first part of the budget year that we are discussing. That would have a cost of $33 billion instead of the cost of permanent repeal of $207 billion, especially given the fact we are already in deep deficit.

At some point I hope colleagues will begin to consider alternatives, to reform the estate tax, to change it, to make it more fair, and to fundamentally buttress the economic security of the country by not compounding these record deficits we already have.

Mr. DORGAN. Will the Senator yield for a question?

Mr. CONRAD. I am happy to yield to my colleague for a question.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from North Dakota.

Mr. DORGAN. I say to my colleague, Senator CONRAD, I am unfamiliar with this notion of a tax on death. My colleague from Arizona spoke at length about the death tax.

I am wondering, would it not be true that should a Member of the Senate, perhaps a married Member of the Senate, die, God forbid, in the coming week or so, that the spouse of that Member of the Senate would inherit, would have all of their property immediately with the spousal exemption, so that death would incur no tax, there would be no tax?

So if there is a death in which there is no tax—which is the case with respect to the spouses, a 100-percent exemption—and all the property goes to the spouse, with no tax consequence, then exactly what is the death tax the Senator from Arizona is referring to? Is it, in fact, the tax on inherited wealth that exists in our law?

And if it is on inherited wealth, of course, that is a different discussion which we should have. But if it is the death tax—which is a term that was created by pollsters to evoke a certain response—is it not the case that there is not a tax on death, that many deaths in this country means the estate is probated, and all of the assets of that estate go immediately to the spouse, with no tax under any circumstances? Is that not the case?

Mr. CONRAD. That is the case. In fact, there is no death tax in America. That is a good rhetorical line, but there is no tax at death in America. Only 2 percent of estates currently are taxed, and they are taxed because they have amounts of value in the estate of over $1 million.

Now, under current law, in 2009, only three-tenths of 1 percent of estates will be subject to tax. That would mean 99.7 percent of estates would not be taxed.

I might say, under the proposal I am suggesting tonight, we could go to that level next year. Why wait to have estate tax reform? Why not go to a $3 million exemption per person, $6 million per couple, and not wait until 2009?

Mr. NICKLES. Will the Senator yield for a question?

Mr. CONRAD. I want to complete my thought and complete my exchange with my colleague. Then I will be happy to yield.

The thing that strikes me is we have gotten off on a debate here that really is detached from reality. It is detached from reality because the cost of full repeal in the next 10 years is $207 billion. How is that going to be financed? It is going to be financed by borrowing the money. It is going to be financed by taking it out of the Social Security trust fund surpluses. That is how it is going to be financed.

Now, does that make any sense? I would say no. I would say to borrow

the money to give a big tax cut to the wealthiest Americans really does not make a whole lot of sense.

Does that mean the current estate tax ought to be retained? No, it should not. It ought to be reformed, not repealed. It ought to be altered, as I suggest, so that a couple could exempt $6 million dollars. That costs a fraction of repeal and would give immediate relief.

I am happy to yield to my colleague.

Mr. DORGAN. If the Senator will yield further for a question, is it not the case that the majority last year passed a tax plan that had the following rather comical circumstance: It said we will sequentially increase the exemption on the estate tax to the point where in 2010 it is repealed, but in the year 2011 it actually comes back again?

And if that is the case—I believe it is—I think historians will look back at this and say, well, who on Earth could have thought of that? Well, they thought of it, all right. That is what they put in the tax bill.

Now, if that is the case, isn't it also the case that the amendment being offered today says let's make it even more farcical: Let's decide we will increase the exemption up until 2009, and we will have a 2-year repeal of the estate tax, to have it come back in 2011?

We laughed a little last year about estate planning. There are going to be a lot of people on life support in 2009 because they have to wait until 2010 to die to get the total exemption, total repeal that was offered by the majority party.

Now they are going to offer a 2-year window for death, apparently, and then the estate tax comes back in 2011. It is the most Byzantine, preposterous amount of nonsense. You would not put 10 people in a room with a six-pack of beer and come out with a worse result than they came out with last year on this estate tax issue.

But to get back on the final point, it was passed as a repeal of the death tax when, in fact, there is no tax on death. There is a tax on inherited wealth.

I ask my colleague, isn't the remaining question for this Senate, do we want to have some basic taxation on the largest estates—on the largest estates—of $1 billion, $10 billion, $20 billion, many of which have never been subjected to any kind of a tax because they were built with inside buildup and built with growth appreciation and have never been subjected to tax?

Is the final argument, final debate, and final question, do we want to retain at least some basis of an estate tax for the very largest estates?

Mr. CONRAD. It would seem to me really almost self-evident that the wiser course here would be immediate reform of the estate tax. Let's go to $3 million for an individual, $6 million for a couple. It would cost $33 billion over the next decade, but that is a fraction of the over $200 billion it would cost to fully repeal it.

My colleague is quite correct, in estates of over $10 million, fully 56 percent of the value of those estates has never been taxed. This is according to a study by Poterba and Weisbenner, that finds that is as a result of unrealized capital gains and as a result of buildup of property values never subjected to tax at all.

So the question is, what is going to be the way we share the tax burden in this country? What is the most fair and equitable way to do that?

I would suggest completely eliminating the estate tax for very wealthy individuals, which is of necessity going to force others—middle-class people, lower-middle-class people—to pay more in order to foot the bill, is not fair. It is not equitable.

It would really make more sense to fundamentally change the estate tax, to give a much larger exemption than we currently have. Currently, it is $1 million. Instead, we should raise that to $3 million for an individual, $6 million for a couple, and do it immediately. It costs a fraction of repealing it all. We would still have wealthy individuals in this country who would have an opportunity to contribute and not shift that tax burden onto middle-income taxpayers.

Mr. NICKLES. Will the Senator yield?

Mr. CONRAD. I am happy to yield to my colleague.

Mr. NICKLES. I thank my friend and colleague.

I heard your proposal that would increase the exemption. I did not hear you address rates. Would you leave the rates at the present 50-percent rate for estates that would be taxed?

Mr. CONRAD. What I just described, I say to the Senator, I don't know if you had a chance to hear.

Mr. NICKLES. I will be happy to look at it.

Mr. CONRAD. It is to have a reform of estate tax. Instead of the $1 million exemption currently, to go to $3 million for an individual, $6 million for a couple. In this calculation, it costs $33 billion. I don't——

Mr. NICKLES. What is the tax rate?

Mr. CONRAD. I was going to get to that.

I think this is at the 50-percent rate. I would certainly be open to an adjustment of that rate as well in order to try to arrive at a conclusion that was equitable and that is not as costly as full repeal.

Mr. NICKLES. I thank the Senator.

Mr. REID. Will the Senator from North Dakota yield for a question?

Mr. CONRAD. I am happy to yield.

Mr. REID. I have been sitting here listening to this debate. Under the proposal offered by the distinguished Senator from Arizona, it is my understanding that Warren Buffet, who is worth $38 billion, I was told——

Mr. CONRAD. How much?

Mr. REID. Worth $38 billion.

Mr. CONRAD. That is real money.

Mr. REID. If he passed away, under this amendment offered by my friend from Arizona, he would pay no estate taxes.

Mr. CONRAD. That is correct. He would pay no estate tax.

Mr. REID. What would happen to his accumulated wealth?

Mr. CONRAD. Well, it would go as directed under his will. I am not privy to what distributions he has determined to make.

Mr. REID. Will the Senator from North Dakota yield for another question?

Mr. CONRAD. I am happy to yield.

Mr. REID. I wanted to confirm that the Senator from North Dakota has listened to Warren Buffett, Bill Gates, Sr., and George Soros. I have heard those three people state that they think it is ridiculous, senseless to have them pay no estate tax. Have you heard these three very wealthy men say this?

Mr. CONRAD. I have. In fact, I have heard all three of those gentlemen and other wealthy individuals—George Soros, of course, who is a multibillionaire; Mr. Buffett, a multibillionaire; Mr. Gates, Sr., I don't think he himself is a multibillionaire, although he is obviously a very wealthy individual—say they believe it is un-American not to have an estate tax; that an estate tax was put in place first of all to raise revenue during a war, interestingly enough. That is how we initially got the estate tax, was to help pay for a war.

Here we are on the brink of another war, and instead of figuring out how to pay for it, we are trying to figure out how to have trillions of dollars of additional tax cuts going primarily to the wealthiest among us. It really is kind of baffling. We are asking young men and women to be prepared to sacrifice everything, and we are prepared to sacrifice nothing, apparently.

There are many wealthy individuals who believe the estate tax ought to be modified. I would strongly support that. I don't think a million-dollar exemption anymore is realistic or very relevant in light of the economy today. I believe it ought to be dramatically increased. I think we ought to go to $3 million for an individual, $6 million for a couple, and we ought to do it now. I would also be open to a reduction in rates. I think 50 percent is too high. But repealing it all is unaffordable, it is unfair, and it is fundamentally a long-term mistake. Why? Because I think it will lead to the concentration of wealth in the hands of fewer and fewer people.

If you look back to the establishment of the estate tax, one of the foremost advocates was a Republican President, Theodore Roosevelt. Theodore Roosevelt said it is a profound social mistake to allow wealth to accumulate in the hands of a handful of people who, by inheritance, become enormously powerful; that our society is a society based on merit and a society based on what an individual achieves, not what they inherit; and that if we want to become like Europe and have inherited wealth assume a greater and greater

role in society, then eliminate the estate tax, because in very short order you will have enormous wealth and power accumulate in the hands of a few.

Mr. REID. Will the Senator yield for a question?

Mr. CONRAD. I am happy to yield.

Mr. REID. In my previous question to the Senator from North Dakota, I talked about three very successful men, all of whom are senior citizens. I want to relate to the Senator from North Dakota that about 2 months ago I had dinner in Las Vegas with a man I had never met before. His name is Pierre Omidyar. Pierre is the founder of eBay. As a young man, he had this idea and on his computer developed eBay which is now a fantastically significant part of our economy. It is his. He, in spite of the stock market dropping, is worth $3 or $4 billion. He is 34 years old.

The whole purpose of his dinner with me, just the two of us, was to explain to me how he hoped I would work as hard as I could to make sure the estate tax is not repealed. Here is a man who is happily married, has two little children, and is one of the wealthiest men in America. He is not an old man; he is a very young man. And he believes, as does the Senator from North Dakota, that acquired wealth in large amounts is not good for America.

I don't think I have given this story to the Senator from North Dakota, have I?

Mr. CONRAD. No.

Mr. REID. But if we have these very successful people talking about why they believe it is bad—I have been present when Mr. Gates, Mr. Buffett, and Mr. Soros all talked about their belief that by a roll of the dice, a roulette wheel, they were born in America. They said they could have their entrepreneur genius—those are words I am using, not theirs—and if they were born anyplace but in the United States, it wouldn't amount to much. They believe as a result of their having been born in America, they owe that to America.

The Senator has heard those statements, has he not?

Mr. CONRAD. I have.

Mr. REID. Would the Senator agree that those three older men and the young man have a concept of what the Senator from North Dakota is saying: Change the estate tax, raise it if it is appropriate. I believe it is appropriate. Would the Senator agree that we have tried to do that? We have asked unanimous consent. We have offered amendments that have been defeated. I want the Senator from North Dakota to see if he agrees with me. I think people want the political issue more than they want to change the estate tax. Would the Senator agree with that?

Mr. CONRAD. I hope that is not the case. We have an opportunity now to resolve the estate tax for a long time. If we would reform it without repealing it, we would do something that is important and valuable. At $1 million, the estate tax is biting at much too low a level. Most of us in this Chamber would certainly degree with that statement. The economy has changed. The world has changed. We have not made a significant enough adjustment in the estate tax. We have not modernized the estate tax in a way that makes any sense.

One million, it has been raised to that, but that has not kept pace with what has happened in the real world. As a result, it is putting too much pressure on small farmers and small business people. We could do something right now. We could raise that exemption to $3 million for an individual and $6 million for a couple. With planning, it could be substantially more than that. That would shield the vast majority of small businesses, the vast majority of individuals. At the same time, we would not have the extraordinary cost associated with repeal.

We have to have current events inform our decisions. The hard reality is, we are in record deficit. We have deficits as far as the eye can see. And the situation is going to get worse when the baby boomers retire. From where is the money going to come? If you repeal the estate tax, that burden is going to have to shift somewhere else. It is going to raise taxes on middle-income people. That is where most of the taxes are paid. I don't think that is the appropriate outcome.

I do think we ought to reform it. We ought to raise this. I would even be open to what the chairman of the committee has referenced as the tax rate itself, which at 50 percent seems unreasonably high as well. Perhaps in the time remaining here we might get together and come up with something that would really be a contribution to the country and a valuable change.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, as I understand it, the Senator from Arizona had offered an amendment. We had discussed, prior to his offering the amendment, that Senator GRAHAM, I, and Senator STABENOW would offer an amendment on prescription drugs. I would ask the manager about the circumstances. Do we need to set aside the amendment that is now pending in order to offer the amendment on prescription drugs for Senator GRAHAM, myself, and Senator STABENOW?

Mr. NICKLES. The Senator is correct. We need to set it aside. I think a couple of us want to speak on the amendment that is pending before we set it aside.

I think the debate has been on the one side for the last 25 minutes.

Mr. DORGAN. I understand. We were told that the presentation of that was going to be 5 minutes, and we were going to move to that amendment. That has not quite happened. I wonder when we might expect to move to this amendment.

Mr. NICKLES. Mr. President, I encourage my colleagues to go through the Chair for parliamentary procedure. I didn't make that point, but I think it is important.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. If the Senator is finished with his inquiry, I yield to the Senator from Alabama 10 minutes. Would that be sufficient?

Mr. SESSIONS. That would be sufficient.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I send a modification to the desk on behalf of Senator KYL, which he failed to file earlier.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. CONRAD. Mr. President, is the Senator proceeding on a modified amendment?

Mr. SESSIONS. My understanding is that it has been agreed to previously.

Mr. CONRAD. There has been no request to modify the amendment.

Mr. SESSIONS. I withdraw that request at this time.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. SESSIONS. Mr. President, there is a death tax. I had in my office 2 days ago Professor Harold Apolinsky, from the University of Alabama. He is indeed a brilliant professor. He has dedicated his life to the elimination of the death tax. He says it is an immoral tax. He feels so strongly about it that he has given an incredible amount of his time and effort and resources into seeking its elimination.

I recall just how much of an impact it can have. A lady I know told me the story of her grandfather. President Reagan had been in office in 1981, and they passed an amendment that changed the death tax a little bit.

Do you know what it was then when they changed it? The rate was 70 percent on estates over $175,000. Four Members in this body voted to keep it at that rate. They reduced it to 55 percent. Big deal.

They were home for Christmas and the family was gathered. He had cancer and he was dying, fading fast. She told the story that every morning he asked what day it was. He died at 10 a.m. on January 1, the day the law took effect—his last great act for his family to protect a little bit more of the farm that he had built up over all those years.

I believe we are in agreement on the modification now; is that correct?

Mr. CONRAD. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama has the floor.

AMENDMENT NO. 288, AS MODIFIED

Mr. SESSIONS. Mr. President, I reoffer the modification on behalf of Senator KYL. I think maybe we have an understanding now.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. CONRAD. Reserving the right to object, and we will not object, we are happy to have the amendment modified

so that Senator KYL's actual intention is embodied in the amendment. We are happy to allow that modification to be made.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 3, line 9, increase the amount by $115,000,000.
On page 3, line 10, increase the amount by $508,000,000.
On page 3, line 11, increase the amount by $595,000,000.
On page 3, line 12, increase the amount by $783,000,000.
On page 3, line 13, increase the amount by $1,076,000,000.
On page 3, line 14, decrease the amount by $3,909,000,000.
On page 3, line 15, decrease the amount by $12,218,000,000.
On page 3, line 16, decrease the amount by $28,750,000,000.
On page 3, line 17, decrease the amount by $2,515,000,000.
On page 3, line 18, decrease the amount by $336,000,000.
On page 3, line 19, decrease the amount by $347,000,000.
On page 3, line 23, increase the amount by $115,000,000.
On page 4, line 1, increase the amount by $508,000,000.
On page 4, line 2, increase the amount by $595,000,000.
On page 4, line 3, increase the amount by $783,000,000.
On page 4, line 4, increase the amount by $1,076,000,000.
On page 4, line 5, decrease the amount by $3,909,000,000.
On page 4, line 6, decrease the amount by $12,218,000,000.
On page 4, line 7, decrease the amount by $28,750,000,000.
On page 4, line 8, decrease the amount by $2,515,000,000.
On page 4, line 9, decrease the amount by $336,000,000.
On page 4, line 10, decrease the amount by $347,000,000.
On page 4, line 14, increase the amount by $115,000,000.
On page 4, line 15, increase the amount by $508,000,000.
On page 4, line 16, increase the amount by $595,000,000.
On page 4, line 17, increase the amount by $783,000,000.
On page 4, line 18, increase the amount by $1,076,000,000.
On page 4, line 19, decrease the amount by $3,909,000,000.
On page 4, line 20, decrease the amount by $12,218,000,000.
On page 4, line 21, decrease the amount by $28,750,000,000.
On page 4, line 22, decrease the amount by $2,515,000,000.
On page 4, line 23, decrease the amount by $336,000,000.
On page 4, line 24, decrease the amount by $347,000,000.
On page 5, line 4, increase the amount by $115,000,000.
On page 5, line 5, increase the amount by $508,000,000.
On page 5, line 6, increase the amount by $595,000,000.
On page 5, line 7, increase the amount by $783,000,000.
On page 5, line 8, increase the amount by $1,076,000,000.
On page 5, line 9, decrease the amount by $3,909,000,000.
On page 5, line 10, decrease the amount by $12,218,000,000.
On page 5, line 11, decrease the amount by $28,750,000,000.
On page 5, line 12, decrease the amount by $2,515,000,000.
On page 5, line 13, decrease the amount by $336,000,000.
On page 5, line 14, decrease the amount by $347,000,000.
On page 41, line 22, increase the amount by $115,000,000.
On page 41, line 23, increase the amount by $115,000,000.
On page 42, line 2, increase the amount by $508,000,000.
On page 42, line 3, increase the amount by $508,000,000.
On page 42, line 6, increase the amount by $595,000,000.
On page 42, line 7, increase the amount by $595,000,000.
On page 42, line 10, increase the amount by $783,000,000.
On page 42, line 11, increase the amount by $783,000,000.
On page 42, line 14, increase the amount by $1,076,000,000.
On page 42, line 15, increase the amount by $1,076,000,000.
On page 42, line 18, decrease the amount by $3,909,000,000.
On page 42, line 19, decrease the amount by $3,909,000,000.
On page 42, line 22, decrease the amount by $12,218,000,000.
On page 42, line 23, decrease the amount by $12,218,000,000.
On page 43, line 2, decrease the amount by $28,750,000,000.
On page 43, line 3, decrease the amount by $28,750,000,000.
On page 43, line 6, decrease the amount by $2,515,000,000.
On page 43, line 7, decrease the amount by $2,515,000,000.
On page 43, line 10, decrease the amount by $336,000,000.
On page 43, line 11, decrease the amount by $336,000,000.
On page 43, line 14, decrease the amount by $347,000,000.
On page 43, line 15, decrease the amount by $347,000,000.

Mr. SESSIONS. Mr. President, this is a big deal in real life. We are talking about taking half of somebody's accumulated estate. That is a lot. It does happen when people die, and there are professionals out there who do this business, and they try to manipulate and avoid and delay, and sometimes they are successful, sometimes they are not. I want to talk about it in a little bit different vein tonight.

I want to talk about what I think is a major problem in America. I know Senator CONRAD is concerned about it. It is a collapse of smaller businesses and a trend toward larger and larger consolidation of business.

I know an individual in Alabama—I met him at a town hall meeting. He and his father spoke to me. They told me they are paying $5,000 a month for life insurance on their father's life. They own three motels. They would like to expand motels. That $5,000 a month would probably help them buy a fourth motel. But they have to pay it for no other reason than if something happens to their father, they would have to pay an estate tax, and it would come out of their small business and they would lose it.

Remember, this little chain of three motels is competing against Ramada, Holiday Inn, Marriott, and they are getting savaged every generation by a 50-percent tax on what the value of that family's estate is. That tax is not paid by the broadly held corporations, the international corporations. They never pay this tax. Think about it. It is a tax that falls on small businesses and individuals. It does not fall on big businesses.

I know an individual who owns several thousand acres of land. He is very fortunate and very generous with ball teams and schools and charitable organizations and is a wonderful person. Some might say he is wealthy. But the big paper companies own millions of acres of land. They don't ever pay a death tax. He is competing, really, with them.

I know International Paper owns 2 million acres of land. They are never impacted by the death tax.

Ask yourself, why is it that banks in towns all over America are closing? In Mobile, AL, we had four local banks. They are all gone today. One or two came back, but all of them were sold out to the big ones. Why? Because the people who owned them got up in years and they were facing a confiscatory tax on what they had accumulated. They didn't have the cash to pay it. Everything they owned was in the bank, the business they built up. They had to get out and get liquid and create a situation in which they could avoid some taxes, perhaps, and have the cash to pay the tax because if they had to sell off the business all at once to pay the tax, it would collapse.

I am saying, with absolute confidence, this death tax is a driving force behind the collapse of small businesses. Think about funeral homes. I know the occupant of the chair, who is from Tennessee, knows that the people running those funeral homes are usually good business people. As the population grew and more people came to the end of their life, they have done well in their business, but they are then facing the death tax. Maybe they have stock or bought some property, and they may have a home that has appreciated in value. All of a sudden they are looking at a big hit.

Now funeral homes are being brought up by chains—broadly held corporations now have these funeral homes. They will never pay the death tax. It will never impact them.

How do you with a $3 million company compete with Holiday Inn? We want to encourage $50 million companies, $100 million companies, and $200 million companies to compete against billion-dollar companies. We are chopping them off.

A vision I have is that you go out in the woods and there is a little pine tree trying to grow and compete with the taller trees. But just as it breaks in and gets sunlight, somebody comes in and chops the top off and takes half of it. It will never be able to compete.

We are putting them at a disadvantage. It cannot be overcome. I believe

it is unhealthy. If we care about small business, about encouraging innovation and competition and growth in America, we need to think about this. So I think there are a lot of reasons we ought to consider the elimination of this tax. It is certainly an unfair tax. People have paid their taxes, and then at the time of their death, they are taxed again in a way that savages the ability of a business to remain competitive.

I note that the taxes are only a percent or two of the income to this Government. It is not critical to our revenue.

The PRESIDING OFFICER. The Senator has used his 10 minutes.

Mr. SESSIONS. We voted to eliminate the death tax once before. It is time to complete the job. I support the amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I know there are colleagues who want to offer the prescription drug amendment. I will make a few comments on elimination of the death tax.

A couple of people said there is no tax on death. I disagree. I can say that from experience. My father died, and there was a significant death tax. His death was a taxable event. If he had not died, there would not have been a taxable event. To say there is no death tax—maybe it is something the pollsters came up with—is something about which I totally disagree.

Under current law, if you die, if your estate is above a certain amount, your survivors will have to pay a tax. I call that a death tax. It can be called an inheritance tax, an estate tax, whatever one wants to call it.

We did pass an exemption in 1981 that exempted surviving spouses from the death tax. I was one of the principal sponsors of that legislation in 1981. I worked to put that in the big bill. That was one of the big tax bills. I was a freshman Senator and I really wanted to put that in the bill because I learned the hard way.

My father passed away. My mother had five kids, and she inherited a business. The Government came in and said: We want about half of the business. We negotiated, struggled, and agonized. I say we, I was a child. My mother struggled for years over what the size of this company was, how much of it the Government was entitled to—were they entitled to half of it, a third of it. Eventually, something was settled but she had to pay the Government. I guess I did, too. Survivors who wanted to keep the business had to pay a lot of tax. Why? Because my father died. So if somebody says there is not a death tax, I disagree.

They say: We exempt spouses. That does not make any difference. If you want to pass your business on to your son, the Government says: We want half.

Somebody said it only applies to 1 percent or 2 percent of the estates. What tax rate is right? Fifty percent? I appreciate the fact that my colleague from North Dakota said the rate is too high. It is too high. Why would we tax estates, a death tax, in excess of the personal tax rate? The maximum personal tax rate hopefully will soon be 35 percent. The maximum corporate rate is 35 percent. Why should a taxable event caused by death be as much as 50 percent?

Frankly, if we do not extend the law, it could go back to 55 and 60 percent. In present law, the maximum is 50 percent. But if the 2001 law expires—if we go back before we made the changes in 2001, then the maximum tax rate returns to 55 percent, and on a taxable estate between $10 million and $17 million, there is an additional 5 percent surcharge. It will go back to 60 percent.

I hear some colleagues say: We should exempt not just $1 million, but maybe $2 million or $3 million, maybe twice that amount for spouses. But above that, we still would have a rate of 50 percent. That is way too high. Why is that? Why in the world if somebody passes away should the Government take half? If somebody builds a business and let's say they build up the business, and maybe they are employing thousands of people, should the Government come in and take half? Whoever inherited the business has to sell it and pay taxes. The Government wins and the employees lose—they lose their jobs.

What about George Soros? He is a billionaire. Or Mr. Buffett? My guess is—I do not know—my guess is they have foundations, they have great tax accountants, and they were able to set up foundations that do not pay tax, period.

They do not pay tax on their earnings. They are tax exempt, and they do not pay death taxes. They built up these enormous foundations. Great, I am proud of them.

There are a whole lot of people who own family farms and businesses that they are trying to grow and expand, and they are not big enough to hire attorneys and have foundations, and they are liable for a death tax. That hangs as a heavy cloud over a lot of businesses that decide not to grow because they know if they grow, the Government is going to get half.

We did work in 2001 to bring that down. We gradually brought it down to, I think, 45 percent. It goes to zero in the year 2010, and then presumably if we do not pass a bill to change it, by 2011, it will pop back up to 55, maybe even as much as 60 percent.

Senator KYL says let's expand that zero bracket. The resolution before us presumes—presumes—that Congress will extend the provisions in the 2001 tax bill, so it would extend the repeal of the death tax for the year not only 2010, but also 2011 and 2012. Senator KYL's amendment says it should be for the year 2009. That will be 4 years with a zero tax on the taxable event of death.

If somebody says they pay no tax, they do not understand Senator KYL's amendment. They do not understand the law we passed. Senator KYL's amendment and the present law says a taxable event is moved from death to the sale of the property. What does the sale of the property mean? It means capital gains. What is the tax rate on capital gains? It is 20 percent.

Also in that provision we passed in 2001, it says we eliminate or stop the step-up in basis over a certain amount. What does that mean? It means if George Soros has a net worth of $38 billion and he passed away, if he has not paid capital gains on that net worth and there is no step-up in basis and the initial investment was much less than that, then he would be taxed at 20 percent on that incremental value.

Maybe if he had initial investment of, let's say, $18 billion—I doubt it would be that much; maybe a lot less—he would pay 20 percent on the incremental difference between the carryover basis and what it was at the time of sale. If somebody in his company did not sell the business, there would not be a tax.

I like to think of this more in the vernacular of a small business. If a small business wants to pass it on to their kids and the kids do not sell the business, they do not pay a tax. But when and if they do sell, they pay a tax. There would be capital gains on a carried-over basis.

It is interesting, the people who have scored some of these amendments, Joint Tax, sort of forgot to account the offsetting additional income that would be generated from the sale of operations, the capital gains that would be measured.

The law we passed in 2001 says: Let's change the taxable event from death to when the property is sold. If someone receives property as a result of someone's death and they sell it, then they pay capital gains. If they do not sell it, then there is no capital gains. The taxable event would no longer be death; it would be when the property is sold. It makes eminent good sense.

There are other ways of doing this, but the present law in taxing estates and taxing inherited property or taxing a business or a farm or a ranch just makes no sense whatsoever. The big boys are able to figure out ways to get around it through fancy accountants and foundations, and they do not pay the tax. A lot of middle-income people and smaller businesses pay a lot of tax. It really does inhibit their growth.

I compliment my colleague from Arizona for his amendment. I am intrigued by the interest of my colleagues from North Dakota and Nevada in maybe trying to do something. I think we can do something, and we have the opportunity to do it. It will not be done in this bill. We did not put in a reconciliation instruction dealing with this provision, but it is something we can deal with and this Congress ought to deal with. There is some money on the table

to make that available. We should have a tax rate on a taxable estate or inherited property in the neighborhood of 20 percent. You might generate some money.

Right now this tax is counterproductive in so many ways. I will give one example. Our business did not grow because we were thinking at that time that the Government would take so much, so why would anybody expand if the Government is going to come in and take it? And how could you pass property on from one generation to another generation to another generation if the Government wanted to come in and take half every time? It just does not work. It is very difficult for a privately held business, if they want to pass it on from the second and third generation, to do so if the Government is going to take half. That business may be more than $3 million. That business may be $20 million. It may be $100 million. Think of some great companies that might be privately held. If the owners pass away, should the Government take half? I do not think so. I would hope not.

I am intrigued by the ideas that different colleagues have.

I encourage an open dialogue. I think my colleague from Arizona is to be complimented for his work in this field. I am intrigued and encouraged by some of the debate I am hearing. I would love to see us come up with a bipartisan, permanent resolution on how to address the estate tax. The present law is not satisfactory. It needs to be amended. It needs to be addressed, and I would love to see this Congress this year pass something we could all be proud of that would be a significant and positive reform for businesses and individuals all across the country.

Mr. REID. Will the Senator yield for a question?

Mr. NICKLES. I would be happy to yield.

Mr. REID. Would the Senator, the manager of the bill for the majority, on the next amendment which will be offered, which will be prescription drugs, allow a time of 40 minutes on each side?

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I cannot agree to a 40 minute time limit——

Mr. REID. I withdraw the request.

Mr. NICKLES. On an amendment that deals with $200 billion. That would be so many billion dollars per minute. That might be a little expensive. I will be happy to work with my colleagues.

If no other Senators wish to speak on the underlying amendment, I ask unanimous consent to set aside the pending amendment so an amendment offered by the Senator from North Dakota and the Senator from Florida can be offered at this point.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from North Dakota.

AMENDMENT NO. 294

Mr. DORGAN. Mr. President, I send an amendment to the desk on behalf of myself, Senator GRAHAM of Florida, and Senator STABENOW, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. GRAHAM of Florida, and Ms. STABENOW, proposes an amendment numbered 294.

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

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

The amendment is as follows:

(Purpose: To provide a meaningful prescription drug benefit in Medicare that is available to all beneficiaries)

On page 3, line 9, increase the amount by $7,580,000.

On page 3, line 10, increase the amount by $23,341,000,000.

On page 3, line 11, increase the amount by $26,169,000,000.

On page 3, line 12, increase the amount by $29,003,000,000.

On page 3, line 13, increase the amount by $32,406,000,000.

On page 3, line 14, increase the amount by $35,710,000,000.

On page 3, line 15, increase the amount by $39,465,000,000.

On page 3, line 16, increase the amount by $43,508,000,000.

On page 3, line 17, increase the amount by $47,687,000,000.

On page 3, line 18, increase the amount by $52.440,000,000.

On page 3, line 19, increase the amount by $58,514,000,000.

On page 3, line 23, increase the amount by $7,589,000,000.

On page 4, line 1, increase the amount by $23,341,000,000.

On page 4, line 2, increase the amount by $26,169,000,000.

On page 4, line 3, increase the amount by $29,003,000,000.

On page 4, line 4, increase the amount by $32,406,000,000.

On page 4, line 5, increase the amount by $35,710,000,000.

On page 4, line 6, increase the amount by $39,465,000,000.

On page 4, line 7, increase the amount by $43,508,000,000.

On page 4, line 8, increase the amount by $47,687,000,000.

On page 4, line 9, increase the amount by $52,440,000,000.

On page 4, line 10, increase the amount by $53,514,000,000.

On page 4, line 14, decrease the amount by $56,000,000.

On page 4, line 15, decrease the amount by $6,750,000,000.

On page 4, line 16, decrease the amount by $12,607,000,000.

On page 4, line 17, decrease the amount by $2,089,000,000.

On page 4, line 18, increase the amount by $11,134,000,000.

On page 4, line 19, increase the amount by $13,388,000,000.

On page 4, line 20, increase the amount by $18,051,000,000.

On page 4, line 21, increase the amount by $23,189,000,000.

On page 4, line 22, increase the amount by $28,020,000,000.

On page 4, line 23, increase the amount by $33,135,000,000.

On page 4, line 24, increase the amount by $39,338,000,000.

On page 5, line 4, decrease the amount by $56,000,000.

On page 5, line 5, decrease the amount by $6,750,000,000.

On page 5, line 6, decrease the amount by $12,607,000,000.

On page 5, line 7, decrease the amount by $2,089,000,000.

On page 5, line 8, increase the amount by $11,134,000,000.

On page 5, line 9, increase the amount by $13,388,000,000.

On page 5, line 10, increase the amount by $18,051,000,000.

On page 5, line 11, increase the amount by $23,189,000,000.

On page 5, line 12, increase the amount by $28,020,000,000.

On page 5, line 13, increase the amount by $33,135,000,000.

On page 5, line 14, increase the amount by $39,338,000,000.

On page 5, line 17, increase the amount by $7,645,000,000.

On page 5, line 18, increase the amount by $30,091,000,000.

On page 5, line 19, increase the amount by $38,776,000,000.

On page 5, line 20, increase the amount by $31,092,000,000.

On page 5, line 21, increase the amount by $21,272,000,000.

On page 5, line 22, increase the amount by $22,322,000,000.

On page 5, line 23, increase the amount by $21,414,000,000.

On page 5, line 24, increase the amount by $20,319,000,000.

On page 5, line 25, increase the amount by $19,667,000,000.

On page 6, line 1, increase the amount by $19,305,000,000.

On page 6, line 2, increase the amount by $19,176,000,000.

On page 6, line 5, decrease the amount by $7,645,000,000.

On page 6, line 6, decrease the amount by $37,737,000,000.

On page 6, line 7, decrease the amount by $76,513,000,000.

On page 6, line 8, decrease the amount by $107,604,000,000.

On page 6, line 9, decrease the amount by $128,877,000,000.

On page 6, line 10, decrease the amount by $151,199,000,000.

On page 6, line 11, decrease the amount by $172,612,000,000.

On page 6, line 12, decrease the amount by $192,931,000,000.

On page 6, line 13, decrease the amount by $212,599,000,000.

On page 6, line 14, decrease the amount by $231,903,000,000.

On page 6, line 15, decrease the amount by $251,080,000,000.

On page 6, line 18, decrease the amount by $7,645,000,000.

On page 6, line 19, decrease the amount by $37,737,000,000.

On page 6, line 20, decrease the amount by $76,513,000,000.

On page 6, line 21, decrease the amount by $107,604,000,000.

On page 6, line 22, decrease the amount by $128,877,000,000.

On page 6, line 23, decrease the amount by $151,199,000,000.

On page 6, line 24, decrease the amount by $172,612,000,000.

On page 6, line 25, decrease the amount by $192,931,000,000.

On page 7, line 1, decrease the amount by $212,599,000,000.

On page 7, line 2, decrease the amount by $231,903,000,000.

On page 7, line 3, decrease the amount by $251,080,000,000.

On page 29, line 6, decrease the amount by $6,000,000,000.

On page 29, line 7, decrease the amount by $6,000,000,000.

On page 29, line 10, decrease the amount by $10,000,000,000.

On page 29, line 11, decrease the amount by $10,000,000,000.

On page 29, line 14, increase the amount by $2,498,000,000.

On page 29, line 15, increase the amount by $2,498,000,000.

On page 29, line 18, increase the amount by $17,195,000,000.

On page 29, line 19, increase the amount by $17,195,000,000.

On page 29, line 22, increase the amount by $20,630,000,000.

On page 29, line 23, increase the amount by $20,630,000,000.

On page 30, line 2, increase the amount by $26,482,000,000.

On page 30, line 3, increase the amount by $26,482,000,000.

On page 30, line 6, increase the amount by $32,751,000,000.

On page 30, line 7, increase the amount by $32,751,000,000.

On page 30, line 10, increase the amount by $38,644,000,000.

On page 30, line 11, increase the amount by $38,644,000,000.

On page 30, line 14, increase the amount by $44,787,000,000.

On page 30, line 15, increase the amount by $44,787,000,000.

On page 30, line 18, increase the amount by $52,013,000,000.

On page 30, line 19, increase the amount by $52,013,000,000.

On page 40, line 2, decrease the amount by $56,000,000.

On page 40, line 3, decrease the amount by $56,000,000.

On page 40, line 6, decrease the amount by $750,000,000.

On page 40, line 7, decrease the amount by $750,000,000.

On page 40, line 10, decrease the amount by $2,607,000,000.

On page 40, line 11, decrease the amount by $2,607,000,000.

On page 40, line 14, decrease the amount by $4,587,000,000.

On page 40, line 15, decrease the amount by $4,587,000,000.

On page 40, line 18, decrease the amount by $6,061,000,000.

On page 40, line 19, decrease the amount by $6,061,000,000.

On page 40, line 22, decrease the amount by $7,242,000,000.

On page 40, line 23, decrease the amount by $7,242,000,000.

On page 41, line 2, decrease the amount by $8,431,000,000.

On page 41, line 3, decrease the amount by $8,431,000,000.

On page 41, line 6, decrease the amount by $9,562,000,000.

On page 41, line 7, decrease the amount by $9,562,000,000.

On page 41, line 10, decrease the amount by $10,624,000,000.

On page 41, line 11, decrease the amount by $10,624,000,000.

On page 41, line 14, decrease the amount by $11,652,000,000.

On page 41, line 15, decrease the amount by $11,652,000,000.

On page 41, line 18, decrease the amount by $12,675,000,000.

On page 41, line 19, decrease the amount by $12,675,000,000.

On page 61, line 12, insert ''on an equal basis with respect to benefit level regardless of whether such beneficiaries remain in the traditional medicare fee-for-service program under parts A and B of such title or enroll in a private plan under the medicare program'' after ''prescription drugs''.

On page 61, line 19, strike $400,000,000,000 and insert $619,000,000,000.

Mr. DORGAN. Mr. President, I will describe the general direction of this amendment. I will be followed by my colleague, Senator GRAHAM of Florida, who will talk in greater specifics about the particular approach dealing with a prescription drug benefit in Medicare. Following that, my colleague from Michigan will also speak.

This amendment would increase the amount of money available to put a prescription drug benefit in the Medicare Program. I think we are long past the point where the question is whether we should put a prescription drug benefit in the Medicare Program. The question is no longer whether. I think almost all Members of the Congress agree we ought to do that. The question is how. How do we do it? What kind of a prescription drug benefit do we put in the Medicare Program?

Senior citizens are 12 percent of the population in our country, yet they consume one-third of all prescription drugs. That is important to understand. As people grow older, they have more health challenges. They are able to access these miracle drugs, the new miracle drugs that extend life in so many areas, but miracle drugs produce no miracles if one cannot afford them.

At an age in life when people reach retirement and have diminished income, they discover that they cannot afford to buy the miracle drugs they need, the drugs their doctor prescribes, for someone who may have heart disease, diabetes, and several other maladies. We hear senior citizens say over and over again that they go to the grocery store with a pharmacy in the back, and they have to go to the pharmacy first to find out how much they are going to have left for food because they cannot afford all of their medicine and food.

If we had created Medicare last year, there is no question that we would have included in that Medicare Program a prescription drug benefit. Instead, Congress created it in the 1960s. Most of us were not here then. So there was no prescription drug benefit put in the Medicare Program because most of the lifesaving drugs that are now available were not then in existence. They are now, and senior citizens are living longer and better lives. Part of it is because we have these prescription drugs that can extend life.

So the question is, How do we now modify the Medicare Program to add a benefit for prescription drugs, to help so many senior citizens who simply cannot afford them?

I had a hearing in Dickinson, ND, one evening on the issue of prescription drugs in Medicare. An oncologist told me about his cancer patient, a woman on Medicare who had a mastectomy because of breast cancer. He prescribed a prescription drug for her. He said: You need to take this prescription drug in order to reduce the chances of recurrence of this breast cancer. She said: What will it cost? He told her the cost of the drugs. She said: Doctor, I cannot possibly buy that prescription drug. I have no money. I will just take my chances.

We do not have to do that. Our amendment is very simple. The underlying budget proposed $400 billion for a Medicare prescription drug plan. We propose that the portion of the tax cut in this budget amendment dealing with the tax cut for dividends be used instead of cutting taxes for dividends in the following manner: That $219 billion be provided in this amendment in order to increase above the $400 billion, so we would have then $619 billion for a prescription drug plan in the Medicare Program. The additional $251 billion in savings generated by this amendment would be used to reduce the Federal budget deficit.

We are doing two things: Making more money available so a decent prescription drug plan can be offered, and my colleague from Florida will more adequately describe exactly what kind of a program can be offered for that, and then in addition, reducing the Federal budget deficit.

I will make a couple of additional points. Our amendment also establishes a very important principle for a Medicare prescription drug benefit. Medicare beneficiaries who choose to remain in traditional fee-for-service Medicare should receive the same level of benefit for prescription drugs as do others. The President has proposed something that says we will provide a prescription drug benefit but we will do it only if someone leaves their fee-for-service type of care and goes to an HMO. That is not fair. That is not the right thing to do. Senior citizens ought to be able to go to the doctor of their choice and get the health care they need from the doctor they have always been seeing for their problems. Yet that will not be the case under the President's proposal.

So we say let's increase the amount of money so we can have a reasonable and a good prescription drug benefit in the Medicare Program. Let's do that at the same time we reduce the Federal budget deficit with the other money that we save from this tax change, and let's also establish the principle, as we do in this amendment, that all Medicare beneficiaries ought to have the availability of this prescription drug benefit, even if they choose to stay in a fee-for-service program. That is a very important issue.

Let me make one final point. As is always the case when we debate the budget in the Senate, we are confronted with a series of choices, difficult choices sometimes but nonetheless choices. We can make a decision about that. We can decide that it is far more important, as some have done in the Senate, to exempt dividends from taxation than it is to have a good prescription drug benefit in the Medicare

Program. I do not happen to share that choice. I think that is a terrible choice. That is a horrible choice to make in terms of priorities. So with this amendment we make a different choice. We believe that this is one of those circumstances that demands and certainly deserves the attention of the Senate. I think every Senator is on record as saying we ought to do something about this issue of prescription drugs in Medicare, but we have had difficulty trying to find the right approach.

We have all kinds of different plans. What we propose with this amendment is to have sufficient money, $619 billion, to put together a plan of which we can be proud, to put together a plan that works, one that really helps senior citizens and one that does not force them all into managed care or HMO organizations as a price for them to be able to access prescription drugs that they need to continue to lead a good life. That is all this amendment is about. It is a simple choice. It is a lot of money, but it is a simple choice. Let's choose the right thing. Let's choose to do what all of us have said we want to do, and that is to put a good prescription drug plan in the Medicare Program.

My colleague, Senator GRAHAM from Florida, is going to describe in more detail exactly what that program could look like and how that program would work for senior citizens. I am very pleased to have worked with him, as well as the Senator from Michigan, on this amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. COLEMAN). Who yields time?

Mr. GRAHAM of Florida. I yield myself such time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida.

Mr. GRAHAM of Florida. Mr. President, I offer this amendment with my colleagues from North Dakota and Michigan so that when we come to debate the specifics of a prescription drug benefit for Medicare, we will be able to provide a real benefit, a real benefit with no gimmicks, no gaps, no hidden ''gotchas.''

Last year, 52 Senators voted for a plan that provides all Medicare beneficiaries with an affordable, comprehensive, and universal drug benefit delivered through Medicare. The proposal offered last year received 52 votes and was very direct. It provided that seniors would pay a $25 per month voluntary premium. This program is not mandatory; seniors will decide for themselves whether they want to participate. There would be no deductible. Seniors would pay no more than a $10 copayment for generic medications and $40 for medically necessary brand-name medications. After $4,000 was paid by the senior out of pocket, Medicare would pay the remaining expenses under a catastrophic position. Special consideration was provided for the lowest income non-Medicaid elderly by picking up all, or a portion of, their monthly premiums and copayments.

The plan we offered last year that received 52 votes, with the inflation and with the change in the demographics of the elderly population, would cost, over the next 10 years, $619 billion. The budget resolution which is before the Senate today would limit the expenditure for a prescription drug benefit to no more than $400 billion. Removed from the $400 billion would be the cost of any other changes to the Medicare system.

Our colleagues on the Budget Committee have adopted the $400 billion from the President's framework for adding a prescription drug benefit to Medicare. It is unclear precisely what we would be buying with $400 billion, but let's talk about what we know of some of the principles of the President's prescription drug plan.

He would provide, for those Medicare beneficiaries in the traditional fee-for-service program, that there would be coverage of prescription drugs for the lowest income—the question mark as to what that demarcation would be. They would receive up to $600 a year for their prescription drug benefits. I point out to the Presiding Officer and my colleagues, the average Medicare beneficiary last year paid $2,100 for their prescription drugs.

Other than the lowest income, there would be no ongoing benefit and there would be a catastrophic benefit at a yet to be specified level. That is what 89 percent of the Medicare beneficiaries—those who have elected to stay in the traditional fee-for-service Medicare—would have available.

Mr. President, 11 percent of the 40 million Medicare beneficiaries are in some form of managed care. Under the President's plan, they would receive a prescription drug benefit, maybe one very similar to the one that 52 Senators voted for last year. We do not have the details to have a clear understanding of what that 11 percent would receive.

The only way you can fit an affordable, comprehensive, universal prescription drug benefit is by not making it universal, not covering seniors who are in the traditional Medicare Program unless they either have very low incomes or very high drug costs. For instance, if the catastrophic level were to be set at $5,000, less than 3 percent of the Medicare beneficiaries would spend that much and therefore be eligible to participate in the catastrophic provisions of the President's plan.

The President's proposal buys a drug benefit for $400 billion by providing a benefit—even that is undefined—only for those seniors who will enroll in some form of managed care. This has been referred to as a plan to herd seniors into managed care because their needs for a prescription drug benefit are so desperate. No one can argue a benefit like the one proposed by President Bush meets the goals of an affordable, universal, comprehensive drug benefit which is what America's seniors need.

The most fundamental reform we can make in the Medicare Program is to offer to all Medicare beneficiaries, including the 89 percent who have elected to enroll in the traditional fee-for-service Medicare, all beneficiaries—those as well as the 11 percent who have currently elected to participate in a managed care program—a universal, comprehensive, affordable prescription drug benefit. Why is this so important? In my opinion, it is so important because it is the fundamental reform which Medicare must make.

Medicare is a program of the 1960s. It is appropriately described as a sickness program. If you are ill enough to require a physician's attention or, even more, require hospitalization, Medicare will pay a substantial proportion of your costs. What Medicare will not pay is the cost to keep you out of the doctor's office and out of the hospital. Why? Because almost every preventive care program has as one of its key elements the use of prescription drugs. These are the modern miracles of medicine. They are almost always required if we are to be able to manage a condition before it becomes critical.

Thus, to have a Medicare Program which makes that fundamental reform from a sickness system to a system that promotes the highest level of health, it must have a prescription drug benefit. Certainly some seniors under the President's proposal will have no choice but to move from their current preference for traditional fee-for-service, where they have the maximum number of choices, into a managed care system, where their choices can be severely restricted.

As my colleague from North Dakota has already said, this debate is about priorities. Is the statement the Senate wants to make that we give greater importance to an oversized tax cut than we do to a real, affordable, comprehensive, and universal drug benefit for all seniors? I think the answer is clear.

In addition to providing adequate funding for a prescription drug benefit, this amendment will also provide $177 billion over the next 10 years for deficit reduction, which would, in fact, become $251 billion for deficit reduction by including the interest cost which we will have to pay for $177 billion over the next 10 years. This is a needed remedy for the rapidly increasing deficits that we have experienced, almost as urgent as the needed benefit of prescription drugs for older Americans.

We are suggesting these two elements, a $219 billion addition to the Medicare account in order to be able to fund an affordable, comprehensive, and universal prescription drug benefit, and $177 billion for deficit reductions—we are suggesting it be paid by a reduction in the provision for tax reductions of $396 billion. That number was not just chosen by accident. That is the amount

the President has proposed for his dividend tax cut, making dividends no longer taxable.

I believe the dividend tax cut should be reduced, first because it will do very little to stimulate our sluggish economy, and specifically because it will do very little to benefit America's seniors. I heard earlier today the argument made in support of the elimination of taxation of dividends, that it was a critical matter for America's seniors. Most American seniors will not benefit at all, and the average tax reduction for America's seniors, by eliminating the taxation on dividends, is estimated to be $118 per year.

Contrast that minimal savings for seniors with the savings that seniors will secure through a comprehensive, universal, and affordable prescription drug benefit.

I urge my colleagues to support this amendment. This amendment will not only affect our seniors and our ability to provide them with a reasonable prescription drug benefit, it will also provide Congress the direction required to assure responsible spending of the taxpayers' money. This is a goal, not just for seniors, it is a goal which all Americans deserve.

Mr. REID. Mr. President, on behalf of Senator CONRAD, I yield one-half hour to the Senator from Michigan, Ms. STABENOW.

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

The Senator from Michigan.

Ms. STABENOW. Mr. President, I first commend my friend and colleague from Florida for his ongoing leadership on the issue of Medicare prescription drug coverage. I am very hopeful we will be able to put into place the bill he has described so eloquently that would greatly benefit all older Americans and the disabled. It is my pleasure to join with him and with my distinguished colleague from North Dakota, Mr. DORGAN, as well, who has also been an outspoken leader both on Medicare prescription drugs and also on issues relating to containing costs, opening the borders to Canada, and other issues that would lower prices.

It is my pleasure to join with both of them in what I believe to be one of the most important, if not the most important, amendment we will be addressing to the budget resolution.

As my colleagues have said, the budget resolution is about American priorities and values. We lay out for the year and then project for 10 years what our most important priorities are, just as a family does in their own budget. We on this side of the aisle have argued that, of course, safety and security is critical. Education and the opportunity for young people and adults to have skills and be able to be successful in our society is critically important. Also, health care, the ability to have health care for your family, and the ability for every senior and every disabled person to know that, in fact, Medicare will be strong and will be there for them when they retire when they are eligible, and that it will reflect the way health care is provided today is also important.

We all know today prescription drug coverage is the primary way to provide health care, both for prevention, to be able to stop disease, and be able to monitor and keep us from having to have an operation or be in the hospital. Outpatient prescription drugs are a critical part of the way health care is provided today.

Medicare, which is a great American success story, simply needs to be updated in order to cover prescription drugs. That is what this amendment does. It says that as a value for our families and a priority for Americans, we choose to set aside dollars for a comprehensive, affordable prescription drug benefit for all seniors. We want to do that through Medicare, through strengthening, protecting, and preserving Medicare. It also says when we have to make choices, if we have to choose—as we always have to do in our own budget, in the Federal budget—between another tax cut for those earning millions of dollars a year, or putting dollars in the pockets of our seniors to help pay for their prescription drugs, their medicine, we choose prescription drug coverage for our seniors. We also choose paying down the debt to protect Social Security and Medicare for the future.

This amendment does two very important things: It guarantees that we will have enough resources to do a comprehensive Medicare prescription drug benefit. It also says the debt that is being accumulated by this country is absolutely unacceptable, and we need to be putting money aside to pay down that debt in order to make sure we can keep interest rates low to spur the economy so our families can buy homes and cars and send their children to college and not experience double-digit interest rates. We need to keep that debt down. That also allows us to protect Social Security and Medicare funds for the future for the trust funds. That priority, and a prescription drug coverage priority, is absolutely essential.

We also say something else that is very important. We need to make sure that traditional Medicare that has been there is there regardless of where you live. My great State is a huge State geographically, 9 million people plus. We need to make sure the seniors in Detroit or Marquette or Ironwood or Three Rivers or Benton Harbor or my home in Lansing all have the same ability and the same dependability in terms of Medicare prescription drugs. They will know the premiums are the same, their cost, their ability to choose their own doctor, their ability to choose their own medicines, to go to their own local pharmacy—that should be available regardless of where you live.

One of my great concerns is we have seen, unfortunately, more and more talk about reforming Medicare, which I believe is a code word for privatizing Medicare. All we are seeing leads us to believe that the administration wants to privatize Medicare and require seniors, if they are going to get real health care coverage that includes prescription drugs, to go into private insurance systems; to go into an HMO or another kind of system.

The administration has indicated, if they stay in traditional Medicare where the overwhelming majority of seniors are, they are willing to offer a discount card that the GAO tells us would be about $3.31 savings on a prescription. That is not very much if you are someone who is paying $100 or $150 or $200 for a simple 30-day prescription.

Then they have said: If you accumulate thousands of dollars—we don't know exactly what the number would be, but have catastrophic needs—you would be able to get some kind of help. We don't know at what point they would designate that, but if you want to get real help with prescription drugs, if you want to be covered for prescription drugs, then you would have to go to the private sector to be covered.

That is absolutely unacceptable. Seniors of this country have already chosen between Medicare and going into the private sector. We have that now. We have traditional Medicare and we have something called Medicare+Choice that is a private sector HMO approach. It is your choice as a senior.

In fact, my mother chose to go into an HMO herself in Michigan, and had a good experience, but the Medicare beneficiaries were dropped from that HMO because they decided not to cover them anymore. And that has happened to over 41,000 people just in Michigan.

What we have seen is that when seniors are being given a choice between traditional Medicare and the HMO system, they have already chosen: They have chosen Medicare, traditional Medicare. But for the small percent who chose to go into the private sector, they found it was not dependable. For my own mother, who chose to do that, she found she could not count on it. It was not ultimately available to her. And now, in Michigan, only 2 percent of people who are on Medicare can even qualify, can even find a private insurer that will cover them, and they all are in the eastern part of our State. So if you live in Lansing or Flint or Saginaw or Grand Rapids or on up in Traverse City or on up in the upper peninsula, you don't even have that choice because there is nothing available.

So what we have said in this amendment is that seniors need to know the prescription drug benefit that everybody is talking about should not just be available if you choose a private insurance policy, private insurance model through Medicare; you should have the right to have a choice of traditional Medicare and have the very same prescription drug coverage.

That is what this amendment says. If we want to offer seniors choice, then

we need to make sure we offer them a real choice: the choice of Medicare as they know it, Medicare as they have been able to depend upon, as well as the other private sector models that have been proposed by the President and our colleagues.

This amendment, I believe, is exactly what the seniors of America are asking us to do: simply update Medicare, strengthen the system they count on, and make sure they have affordable prescription drug coverage. I strongly support this amendment. I am proud to be cosponsoring this amendment with my colleagues. The dual goal of having Medicare prescription drug coverage and a major payment on the debt is very important.

When we look at who the beneficiaries of Medicare are—our seniors—the majority of them are women. So I speak as one of the women of the Senate to say that the women of this country are counting on Medicare as well as Social Security. This is very real for the older women of our country. They are counting on us to fulfill the real promise of Medicare.

Mr. President, our seniors, as well as everyone who is involved with prescription drugs, are counting on us to do one other thing. I wish to speak to that for a moment. It relates to another amendment I will be offering later on in this debate that needs to be coupled with this amendment, and that is the question of lowering the price of prescription drugs.

We need to update Medicare to cover prescriptions. But at the same time, we need to lower the price through more competition, so that we can afford that coverage and be able to make it available to as many people as possible.

Along with my colleagues, Senator DORGAN and Senator SCHUMER, I am going to be offering an amendment the purpose of which is to reduce prescription drug prices for everyone, with the passage of legislation similar to S. 812, which passed overwhelmingly by the Senate last summer, a bill that contained provisions relating to generic drug reform, reimportation of prescription drugs from Canada—in other words, opening the border to Canada for our citizens—and State authority with respect to Medicaid drug rebate agreements. What that means is supporting our States that are being creative in finding ways to use their authority to lower the prices of prescription drugs for their citizens.

This amendment would take the approximately $7.4 billion minimal of savings through the generic drug reform we passed last summer coupled with any savings—and as yet they have not been able to calculate the savings—that we know would be there from opening the border to Canada, and dropping prices in half. But we would take those dollars and put it into a fund that is already in the budget resolution—a $50 billion fund for the uninsured—and we would add those budget savings to that fund for programs that help individuals and small businesses obtain health insurance.

We know the majority of those without insurance—in fact, we are told that 75 percent of the people who do not have health insurance are working, and they are working for small businesses. So this issue of lowering prices is very important for all businesses, but I would say particularly small businesses, that have seen their premiums—at least in Michigan, we know, according to Michigan Blue Cross and Blue Shield, that premiums for small businesses have doubled, at least, in the last 5 years. And we know, when we look behind those prices, as well as the prices for the Big Three automakers, and for other major employers, that the major reason the price of health care is going up is because of the explosion in the price of prescription drugs. The average retail prescription drug increase for brand names is three times the rate of inflation—three times the rate of inflation. So we have seen an explosion.

By the way, this relates back to Medicare coverage because a majority of those who are uninsured who are paying those prices are our senior citizens. In fact, the people who pay the highest prices in the world today are Americans, predominantly our seniors, who do not have insurance and walk into the local pharmacy and need to buy their medicine. So there is an important partnership here of both Medicare prescription drug coverage and lowering prices for everyone.

Last year, on a bipartisan vote, I was very proud of this body, my colleagues on both sides of the aisle, who joined together to, first of all, tighten up the rules and eliminate loopholes in relation to unadvertised brands, what we call generic drugs, that are supposed to be available when a patent runs out on a brand name. The formulas are supposed to be available so they can be manufactured at a much cheaper price, oftentimes 50 percent, sometimes as much as 70 percent less. We know by having more use of unadvertised brands, and they being more available on the market, we can drop insurance rates, we can drop prescription drug prices for our seniors and for everyone.

We also know if we simply open the border to Canada—I find this whole issue so amazing because we trade with Canada on everything except prescription drugs. In fact, in my great State of Michigan, right now we are seeing truckloads of trash coming in from Canada that we are told we cannot stop from going into Michigan landfills because we have open trade laws. So we can't stop the trash, but we can't bring in prescription drugs that would help our seniors and help our families be able to lower their costs, by bringing in American-made, American-subsidized prescriptions, that are sold in Canada at reduced prices.

That was the second part of what we did last summer, to pass a bill that opened the border. And we know that by doing that, licensed pharmacists could develop business relationships. Whether it is a pharmacist at the hospital, a pharmacist at the local pharmacy, a pharmacist working with health clinics or at a university, they could bring these back and make prescription drugs available. We ought to be doing that. It is very perplexing and frustrating that that is not happening.

In fact, to add insult to injury, the FDA has just informed us in the last week based on pressure from the pharmaceutical industry that not only are they not going to open the border, but they are going to begin enforcing the law against those who help our seniors. Whether it is an insurance company paying for reimbursement, whether it is others helping our seniors to go across the border to get their prescriptions at a lower price, working through a Canadian doctor and pharmacy, the FDA now says they will clamp down on that rather than working with us to open the borders in a safe way. This is the second part of how we lower prices.

The third way we lower prices is by supporting States that have been working to use their group purchasing power to negotiate with the pharmaceutical companies that do business with them on Medicaid, to negotiate with them to provide rebates and discounts for the uninsured in their State. A number of States have done that, and they have all been challenged, unfortunately, by the pharmaceutical industry. We want to make it clear that States have the ability on behalf of their citizens to advocate and to negotiate lower prices. That is the second amendment we will be offering.

Again, we will be offering an amendment that says we will reduce prescription drug prices. We will save dollars for the Federal Government, and then those dollars will be redirected into a fund and put aside to support small businesses to provide health care coverage for their employees.

The budget resolution is about priorities. We all know that. It is about values. It is about who we are as Americans. When I talk with people in Michigan, there is not a higher priority now than health care: Families struggling with the cost of medicine; seniors not having access to prescription drug coverage; businesses trying to figure out how to pay the bill; employees being told their pay will be frozen so their employer can pay the health care costs; those who are losing their jobs finding themselves in a situation where they are losing their health care. We even know that our reservists and members of the National Guard currently serving us in the gulf may find themselves not having health insurance for themselves and their families.

This is an issue that touches each and every one of us. Every year we talk about it. Every session we talk about it. It is complicated. It involves setting priorities on funding. Too much of the time, we set it aside to go on to something else. I hope we will not do that

this time, that we will make it clear, through this budget, that Medicare prescription drug coverage, that health care for small businesses and their employees, that lowering the prices of prescription drugs will be a top American priority. We can say, we will wait until next year, we will wait until the next budget resolution, but we can't say, we will wait until next year to get sick, to get cancer, or that a family will wait until next year until grandma or grandpa need a nursing home or their children get sick.

Health care for American families is an urgent matter. It is an urgent matter for everyone. It needs to be an urgent matter for all of us here in the Senate.

I urge my colleagues to support the amendment on Medicare prescription drug coverage, and I urge my colleagues as well to join with us in the amendment to reduce the price of prescription drugs and support our small businesses that are struggling to provide health care for their employees.

I yield back.

The PRESIDING OFFICER. Who yields time?

The Senator from Utah.

Mr. BENNETT. Mr. President, acting as the leader, I yield myself 7 minutes, with the understanding that following me, the Senator from Iowa will be recognized.

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

Mr. BENNETT. Mr. President, I have listened to the debate and wanted to make a few observations. I understand the Senator from Iowa is prepared to perhaps be a little more erudite than I. But I have heard personal references, and I must come share a few personal references, not specifically on this amendment but on the subject of Medicare.

The statement has been made that Medicare is a great success story. Medicare is a disaster. Everybody who deals with it understands that except the Congress. We have to understand that Medicare, in order to work properly, is going to have to be overhauled from top to bottom as quickly as possible. Taking the assumption that the present Medicare system is working well and all we need to do is add a little here and add a little there will further compound the disaster.

Let me give two examples that I hope will help illustrate this. The first is a town meeting where a woman came to me and said: Can you do something to fix Medicare?

I said: Well, tell me what the problem is.

She said: I am a professional woman. I am a college graduate. I think I am fairly intelligent. I handle my mother's affairs. My mother is in her eighties. She is on Medicare. I have finally figured out how to deal with Medicare. I throw away everything unopened, and at the end of the month I call the Salt Lake clinic and say: How much do I owe you for my mother? Trying to wade through the paperwork is so daunting, I can't even begin to understand anything they send to me. The assumption that my 85-year-old mother would be able to handle any of it is absurd. I tried. I struggled. I got the manuals. Finally, I discovered the way to deal with Medicare is to throw away everything unopened and once a month call the Salt Lake clinic and say: How much do I owe you for my mother?

This is a family and a circumstance where money is not a problem. Simply coping with the paperwork is overwhelming.

Second example: I have a daughter of whom I am enormously proud. She graduated with her master's degree from George Washington University after her bachelor's at Boston University. She got a job in a nursing home. She is a speech therapist. She is also a very enthusiastic young lady. She called me after about 4 days on the job.

Dad, she said—exploding over the telephone—you are a Senator. You have to fix Medicare.

I said: Now calm down. Tell me what your problem is.

She said: Medicare is a disaster. Medicare is terrible. Let me tell you my experiences.

And she began describing some of the problems she had in giving proper care to the people in this nursing home and always being told, no, you can't do that until you check to see whether or not Medicare will cover it.

She said: I thought that would be a fairly simple thing to find out. So I go down the hall and say: Will Medicare cover this procedure? It takes days to get an answer to that question.

Then she said: Dad, do you know who the highest paid person in this facility is—with a salary higher than the administrator, higher salary than the doctors, higher salary than the nurses, higher salary than any of the health professionals? It is the woman who understands Medicare. She gets paid more than anybody here because that skill is in greater demand and shorter supply than professional medical skills.

She called me back sometime later and said:

> I have had patients die while we waited to get an answer as to whether or not Medicare would cover it. Their family said, ''Don't touch my grandmother; don't do anything until we find out whether Medicare would cover it.''

It was so arcane and difficult to work through all of the paperwork and come up with the answer—well, maybe they would have died anyway; they were old and in a nursing home. People die in nursing homes. But this was a very traumatic experience for my daughter, who was convinced that the kind of therapy she was trained to provide, she was prepared to provide, which could have extended the life of that particular patient.

So as we get carried away with the rhetoric around here about what we have to protect and not protect about Medicare, let us begin to understand the truth about Medicare. Medicare is the best Blue Cross/Blue Shield fee-for-service indemnity plan of the 1960s—frozen in time. We don't practice medicine the way medicine was practiced in the 1960s when Medicare was created. We don't even come close anymore.

Yes, we need a prescription drug benefit because prescription drugs do things now that they had nothing to do with in the 1960s. But instead of pasting it on to the existing circumstance and creating a new set of forms and eligibilities and more demand for that highest paid person in the nursing home, let us as a Congress face the fact that we need to start from a clean sheet of paper, all over again, with all of the money we are putting into it—which is sizable—and say let's create a whole new system. This budget doesn't do that, but this amendment that is being offered will make things worse in that regard.

I only hope that somewhere along the line we can begin to face the fact that Medicare is 40 years old, whereas the practice of medicine is changing so constantly that we could say it is only 40 months old. Let's start with a clean sheet of paper. Let's not try this Band-Aid approach. Let's not just put this here, and put that there, and tell our constituents we are giving them something when, in fact, we are perpetuating an existing problem and ultimately making it worse.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume. For the benefit of the people who are waiting to speak, I don't think I will take long on this subject.

I rise because I want to urge my colleagues to vote against the Dorgan amendment when the vote comes up tomorrow. I don't see anything wrong with the issue of Medicare being discussed because it is one of two or three of the most important issues this Congress will deal with. So it is very appropriate to have Medicare very much at the top of the agenda. It is very appropriate to have prescription drugs for seniors, as a part of strengthening and improving Medicare, be very high on the agenda. And it is very high on the agenda.

It is just a question, as it relates to the Dorgan amendment, of whether or not crafting a Medicare prescription drug program ought to be an issue on the budget, or whether you ought to let the will of Congress work and do that through the Senate Finance Committee.

We know Medicare is going to be a very important issue this year, not only because it has been very much an issue in the last election, but because the Senate majority leader has a longtime interest in Medicare and prescription drugs. He told me, as Chairman of

the Senate Finance Committee, that he would like to have the Senate Finance Committee put it very high on its agenda and have legislation prepared early for this summer's debate.

The Senate Finance Committee is going to meet that deadline. I hope Senator FRIST will be able to keep his own calendar and bring it up at that particular time. What we are talking about on this issue is whether or not the $400 billion for prescription drugs in the budget resolution is enough and whether or not an extension beyond that $400 billion is needed at this particular time.

I am here to say it is not needed at this particular time for two reasons. One, I think I can show that $400 billion is an ample amount of money to present to the Senate a good prescription drug program; and two, taking money away from tax relief for working men and women, which this amendment does, to spend on Medicare is the wrong thing to do for the long-term benefit of Medicare. Because as the trustees of the Medicare and Social Security Program pointed out in their annual report, you see Medicare in a little worse situation this year than last year because there is less payroll tax coming in because the economy is not doing quite as well as it should be. If we want to preserve the long-term viability of the Medicare trust fund, obviously, the best thing we can do is create jobs. That is what the growth package, the jobs package, that we are going to be working on this spring—tax reduction for working men and women—is all about—the creation of jobs, to have the economy grow, so more payroll taxes will be coming into the Medicare fund.

Let me explain to my colleagues why we should vote this amendment down. I start with the premise that it is long past time for Congress to strengthen and improve the Medicare Program, and the No. 1 way in which we can improve and strengthen Medicare is the enactment of a prescription drug benefit for our Nation's seniors.

We all know that adding prescription drug coverage to the Medicare Program is an expensive endeavor. Given the rapidly rising costs of Medicare and the present challenge we have just to meet our current obligations in the program, adding prescription drug coverage must be done carefully and responsibly. You don't do it by just pulling a figure out of the air, reducing the tax relief package, and putting it over here in the Medicare trust fund.

As I have said, the Medicare trustees reported last year that the program already faces substantial challenges in the not-too-distant future. The Medicare trust fund will begin to run cash deficits in 2013 that grow larger and larger until the fund is bankrupt in the year 2026.

While we are working on adding a drug benefit to Medicare, prescription drug spending has grown an average of almost 15 percent annually from 1995 to the year 2000. And the Congressional Budget Office predicts that Medicare beneficiaries will spend about $1.8 trillion on prescription drugs over the 10-year budget window.

Now, is the $400 billion in the budget resolution before us enough to spend on improving Medicare and adding a prescription drug benefit? Well, first of all, we have to recognize that Congress has come a long way in how much it has allocated to a Medicare drug benefit. For example, in fiscal year 2001, the budget resolution had $40 billion over 5 years for a drug benefit. This budget, as I have said, proposes $400 billion over 10 years and is yet $100 billion more than we had in the last budget resolution, which was for fiscal year 2002, and had $300 billion for prescription drugs over the 10 years.

I say to people on the other side of the aisle that we had a lot of support in arguing for a $300 billion budget figure for prescription drugs in that fiscal year 2002 budget. Many of my friends on the other side of the aisle spoke in favor of that proposal on the Senate floor. These Senators believed then that $300 billion would provide a good drug benefit for seniors and be affordable for taxpayers. Now we are proposing $400 billion for Medicare and for a drug benefit. This amount is certainly adequate for developing a good Medicare drug benefit for our Nation's seniors.

I urge my colleagues to support the $400 billion in funding for Medicare and vote against amendments such as the Dorgan amendment to dramatically increase the cost of that drug benefit.

I ask those very same Senators on the other side of the aisle who may want to support their colleague that if they thought 2 years ago $300 billion was a good figure and they helped us get that passed, then they would think that $400 billion is adequate as we start down this road, a road that is going to lead us to the successful passage of a drug benefit program for seniors.

As for a comparable prescription drug benefit, one of the directions that the Dorgan amendment would give the Committee on Finance—a requirement that traditional Medicare and whatever enhancement of Medicare we develop for seniors which would give them the right to choose between more than one benefit plan would have comparable prescription drug benefits—I want my colleagues on the other side of the aisle to know I will work with other members of the Finance Committee to make sure Medicare beneficiaries in traditional Medicare have a good prescription drug benefit, as well as those who may choose to go to a new, enhanced plan.

This amendment wants to tie the hands of the members of the Senate Finance Committee. The budget bill is not the place to craft a Medicare prescription drug benefit. That is the jurisdiction of the Senate Finance Committee. The committee will have its opportunity to function under my chairmanship, at the direction of Senator FRIST, our majority leader, who said he did not want to make the mistake of last year when then-majority leader Senator DASCHLE brought the issue right to the floor, bypassing the committee.

We can in this body develop bipartisanship not on the floor of the Senate but in the committees of the Senate. That is no more true than in the Senate Finance Committee which has such a reputation for bipartisanship.

I urge my colleagues to defeat this amendment and let the Finance Committee do its work.

I yield the floor.

The PRESIDING OFFICER. Who yields time? Who yields to the Senator?

Mr. CONRAD. Mr. President, how much how much time is the Senator seeking?

Mr. ROCKEFELLER. There will be, I say to the Senator from North Dakota, three Senators speaking on behalf of the amendment. Forty-five minutes would be an outside number.

Mr. CONRAD. How much time would the Senator from West Virginia like?

Mr. ROCKEFELLER. Eight, nine minutes.

Mr. CONRAD. I yield 10 minutes to the Senator from West Virginia.

Mr. REID. Mr. President, I ask, through the Chair, the Senator from Maine, it is my understanding she has permission from the manager of the bill to have the pending amendment set aside to offer this amendment.

Ms. COLLINS. The Senator is correct.

Mr. REID. I should think that is what should be done now. Does the Democratic manager agree with that?

Mr. CONRAD. That will be the appropriate action to take at this point, if the Senator from Maine will make that request.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, the Senator from West Virginia, on behalf of the Senator from Maine, the Senator from Oregon, the Senator from Nebraska, and several cosponsors, is sending an amendment to the desk to ask for its consideration. I ask that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from West Virginia.

AMENDMENT NO. 275

Mr. ROCKEFELLER. Mr. President, I call up amendment No. 275 which is already at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. ROCKEFELLER], for himself, Ms. COLLINS, Mr. NELSON of Nebraska, Mr. SMITH, Mr. SCHUMER, Mr. EDWARDS, Mrs. CLINTON, Mrs. HUTCHISON, Mr. BINGAMAN, Mr. CORZINE, Ms. MIKULSKI, Mr. KOHL, Mr. KERRY, Mr. SARBANES, Mrs. MURRAY, Ms. CANTWELL, Mr. DEWINE, and Mr. COLEMAN, proposes an amendment numbered 275.

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

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

The amendment is as follows:

(Purpose: To express the sense of the Senate concerning State fiscal relief)

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE CONCERNING STATE FISCAL RELIEF.

(a) FINDINGS.—The Senate makes the following findings:

(1) States are experiencing the most severe fiscal crisis since World War II.

(2) States are instituting severe cuts to a variety of vital programs such as health care, child care, education, and other essential services.

(3) According to the Kaiser Commission on Medicaid and the Uninsured, 49 States already have taken actions or plan to cut medicaid before or during the current fiscal year 2003. Medicaid budget proposals in many States would eliminate or curtail health benefits for eligible families and substantially reduce or freeze provider reimbursement rates.

(4) In 2002, at least 13 States reported decreased State investments in their child care assistance programs.

(5) According to a forthcoming analysis of 22 States, at least 1,700,000 people are now at risk of losing their health care coverage under cuts that have already been implemented or proposed.

(6) Fiscal relief would help avoid adding even more Americans to the ranks of the uninsured while preserving the safety net when it is most needed during an economic downturn.

(7) Curtailing the States' need to cut spending and increase taxes is essential for true economic growth.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the functional totals in this resolution assume that any legislation enacted to provide economic growth for the United States should include not less than $30,000,000,000 for State fiscal relief over the next 18 months (of which at least half should be provided through a temporary increase in the Federal medical assistance percentage (FMAP)).

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors. Cosponsors already are myself, Ms. COLLINS, Mr. NELSON of Nebraska, Mr. SMITH, Mr. SCHUMER, Mr. EDWARDS, and Mrs. CLINTON. I ask unanimous consent to add Mrs. HUTCHISON, Mr. BINGAMAN, Mr. CORZINE, Ms. MIKULSKI, Mr. KOHL, Mr. KERRY, Mr. SARBANES, Mrs. MURRAY, Ms. CANTWELL, Mr. DEWINE, and the distinguished Presiding Officer, Mr. COLEMAN, as cosponsors.

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

Mr. ROCKEFELLER. Mr. President, I will not talk long, although this is an extraordinarily important subject particularly affecting the stimulus package and affecting a lot of people in all of our States.

The sense-of-the-Senate amendment which we put before the Senate now—and it is that, a sense of the Senate—we did the same thing this past July in the form of an amendment, and it received some 75 votes. It was very bipartisan. But this is a sense of the Senate. It is not an amendment per se.

What we are wanting to do is to add no less than $30 billion over the next 12 months for the State stimulus relief package that should be included in any stimulus package. In fact, I would argue it makes no sense to do this without including the amendment which will then find its way to the Finance Committee where we will work with it.

It is interesting, in fact, that there are many who say the primary problem for our economy at this particular point is not the impending war with Iraq, but is, in fact, the plight of our State governments and our Federal Government—the deficits and debt, in the case of the Federal Government, and the deficits, in the case of the States. We have to address the State budget shortfalls in order for any growth package to be at all meaningful. It is not as colorful and does not have as much pizzazz, but it affects incredible numbers of people.

States obviously have to balance their budgets. Senator NELSON from Nebraska will be speaking shortly. He was a Governor, as was I. Nearly every State, if not every State, faces deficits. They are likely to grow in the upcoming year. The deficits are now $70 billion to $85 billion projected for 2004. This is on top of the $50 billion in deficits that the States already have for 2003.

This constitutes a real crisis for them. They cannot print money, and they cannot do what we can do in the Senate: simply go into deficit and go on. They have to take action to close the deficit. Herein is the problem that affects the stimulus package, States, and people.

They have to cut programs or they have to increase revenues—neither important—but one of the difficulties and responsibilities of being a Governor is that you have to make those decisions—either raise revenues, cut programs, or you do both, which is why Governors often are not terribly popular at the end of 8 years.

It is about $1 out of every $8 of expenditures in the budget that these deficits represent. So it is a very large amount of money. Some 38 States, three out of four States, either cut spending in 2002, are projecting to cut spending in 2003, or do both. That is, raise revenues and cut spending.

One cannot talk about stimulating the States' economies without talking about Medicaid. Medicaid and Medicare—Medicare which we have just been discussing—between those two programs, which are both located in the same Government agency, it is a substantially greater amount of money than resides in the Department of Defense. People have to understand this, it is an enormous amount of money in Medicaid and Medicare.

Families USA, which is well respected, recently did a study on the economic impact of Medicaid. I am not talking yet about people. This is the economic impact of Medicaid. One of their key findings was that in the year 2001, which was the last year their research could cover, States spent almost $98 billion on Medicaid. But that was not the whole point. The point was that the Medicaid amount that they spent generated a threefold increase in the economic impact on the 50 States to the tune of $279 billion.

I submit that is called fiscal stimulus of a large magnitude, because it gets into goods and services, increased business activities, and I do not think I have to go on. I am very happy to say that West Virginia was among the 10 States with the highest rate of return for every dollar spent on Medicaid. So for the State that this Senator represents, it was very meaningful.

This amendment specifies that no less than one-half of the amount; that is, $30 billion, allotted for State fiscal relief must be devoted to a temporary increase in the Federal medical assistance percentage, or FMAP. That is what we voted on in July of last year. That is what passed 75 to 24—tremendously bipartisan.

This is a similar structure to the legislation that Senator COLLINS, Senator NELSON of Nebraska, and I introduced recently involving $20 billion. It was a temporary increase in the Federal Medicaid matching rate, as well as increasing funding for the Social Security block grant.

As I indicated, the legislation is very bipartisan. It puts money into Medicaid, but it also puts money into the Social Security block grant, which, quite frankly, is very good because in the Finance Committee we have been discussing welfare reform. We all know there is a shortage of childcare. Governors have the discretion to take that money and spend it on local projects or on childcare or however they might wish. Obviously, there are restrictions.

This is strongly supported by providers and by—well, I will not go into that, but it is strongly supported. It did get 75 votes, and the National Governors Association wants this more than anything else the Congress can provide, with the exception of homeland security. This will then go on to the Finance Committee.

The stimulus that Medicaid provides to the States—aside from the stimulus, there are now 1,700,000 people who will lose their Medicaid if we do nothing about this problem, if we do not increase FMAP, the Medicaid match matter. There is nothing they can do about it. They will simply have to cut more people. I say to my colleagues, they should know that States have already cut a million people off of Medicaid.

Up until this point, if we do nothing they will then cut an additional 1.7 million people off Medicaid. When one does that, one understands that there are about 47 million people on Medicaid in this country and they are people

who are vulnerable. It is the second largest item in most States' budgets. It is always, therefore, a target for cuts. It cannot be otherwise, and Governors have to do that.

What I need to say more than anything, and more poignantly hopefully, is that Medicaid is an extraordinary safety net which was set up years ago for our most vulnerable Americans, which includes not only our low-income children and working families but also our disabled and our elderly.

This strikes me as an extraordinarily reasonable amendment. Some may argue that the Federal Government is already spending too much on Medicaid and the States need to do a better job, and I would come back vociferously and say that the States are doing a superb job. In fact, they have done as well or better than the private sector on this matter indeed, as Medicare only spends 2 to 3 percent for overhead costs in the administration of the program, in spite of all the fraud and abuse charges that are thrown at it.

Costs are rising in Medicaid because of prescription drugs and long-term care costs. Those are the two fastest growing items in health care. They both reside in Medicaid at this point. Medicaid has prescription drugs. Medicare does not. And so people seek it out.

In conclusion, this is a sense-of-the-Senate amendment. No less than $30 billion of State fiscal relief should be included in anything which we call a fiscal stimulus or an economic growth package. This is the most important action we could take, and I urge my colleagues to support the amendment.

I yield whatever time she may consume to the distinguished Senator from Maine, Ms. COLLINS.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I thank my colleague from West Virginia for his comments. It has been such a pleasure to work with him. He is an eloquent and compassionate advocate for health care for low-income families. I am delighted to be his partner in this regard.

I also acknowledge the hard work of Mr. NELSON, the Senator from Nebraska, and Senator GORDON SMITH of Oregon. The four of us have worked very hard on this initiative for over a year. We are also delighted to have the Presiding Officer's critical support in this initiative.

States from Maine to Nebraska, from West Virginia to Oregon, are facing the most serious budget shortfalls in 50 years. The bipartisan amendment that we are offering tonight takes the first step toward providing States with a measure of much needed fiscal relief.

Regardless of the size of the tax cut, we believe it is imperative that the economic growth package include a significant amount for State fiscal relief. Therefore, our amendment expresses the sense of the Senate that at least $30 billion of the economic growth package be targeted to State fiscal relief over the next 18 months to help our States cope with an aggregate budget shortfall that is nearly four times that size.

This bipartisan amendment has been drafted in a way that is both budget and deficit neutral, and I stress that for the information of my colleagues. It neither increases nor decreases the amount provided for reconciliation in the budget resolution. Therefore, our amendment does not add to the deficit. It does not change the spending caps that are included in this resolution.

The attacks of September 11 on our Nation, coupled with the subsequent recession and resulting unemployment, have placed tremendous and unanticipated strains on Government services and resources. At the same time, the States, which are after all our partners in providing health care, education, and other essential services, are facing a dramatic and unexpected decline in Government revenues at precisely the time when the demand for Government services is the greatest because of the lagging economy.

State budgets are under siege. The combination of increasing demands for services and resources, coupled with the dramatic drop in revenues, is causing a fiscal crisis for States from coast to coast.

The State of Maine, for example, faces a budget shortfall over the next 2 years of approximately $1.2 billion. Let me put that in perspective. The entire budget for Maine is only $5.3 billion, which means it faces a shortfall of more than 20 percent. To put the plight of Maine into perspective, I point out if the Federal Government were facing a 20-percent shortfall, it would have to close a $440 billion budget gap, and it would have to do so under its Constitution without borrowing a single dime. That is the dilemma facing our States.

The States have to balance their budgets. They cannot print more money. They cannot borrow more money. They have to balance their budgets. States have been using rainy day funds, delaying capital projects, cutting spending, increasing taxes. They are doing whatever they can to balance their budgets.

According to a February report by the National Conference on State Legislatures, States have been forced to cut a number of critical programs, ranging from education to corrections. Mr. President, 29 States have imposed across-the-board budget cuts, and at least 24 States are considering tax increases to help close those budget gaps.

Moreover, at a time when the number of people without health insurance is climbing, 49 States have either already taken action to cut their Medicaid Program, or are planning to do so. Medicaid provides medical care for 44 million low-income people nationwide, including 218,000 individuals in my home State. States are cutting benefits, increasing copays, restricting eligibility, or removing poor families from the rolls because of soaring costs and plunging revenues. As a consequence, the National Governors Association estimates as many as 2 million low-income individuals across this country will lose their health care coverage as a result of the loss of Medicaid coverage.

Let me be clear, I am not saying Congress should bail out the States. I am not saying States should not have to make hard choices. I am not saying States should not cut their budgets, that they should not balance their budgets. The States do need to tighten their belts during these austere fiscal times, but the nature and the severity of the fiscal crisis facing our States has convinced me we simply must help. The consequences are too dire, otherwise, and too many very low-income individuals will suffer if we do not step in and help.

That is why I joined in this effort to provide for a temporary increase in the February Medicaid matching rate as well as some flexible funds that go to every State. Specifically, our amendment, which has strong bipartisan support, provides $30 billion to the States, at least half of which would have to be provided through a temporary increase in the Medicaid matching rate.

Our amendment is strongly supported by a host of health care patient and consumer advocacy groups, including the American Hospital Association, the American Health Care Association, the Visiting Nurses Associations of America, the American Dental Association, Families USA, the Child Welfare League of America, the Alzheimer's Association, the National Alliance for the Mentally Ill, the Children's Defense Fund, the Consortium for Citizens with Disabilities, and many other critically important organizations.

The support our proposal has received underscores how important it is we act now to provide assistance to the States at a time when many are looking toward further cuts in their health care programs to help balance their budgets.

We have focused particularly on Medicaid because of our concern about the impact on low-income families in America. But there is another reason it makes sense to target this assistance to the Medicaid Program; that is, Medicaid is the fastest growing component of State budgets.

While State revenues are stagnant or declining in most States, Medicaid costs are increasing at a rate of more than 13 percent a year. My home State of Maine is one of many States that has been forced to consider cuts in its Medicaid Program to compensate for its budget shortfalls.

Legislation enacted as a consequence of our amendment, I stress again, will not free States from making very painful and difficult choices in crafting their budgets for the year. But it will help prevent the most harmful cuts, those that would affect the families who can least afford them, those who

are already under strain as we see the number of uninsured continue to climb to 41 million Americans without insurance.

To Maine, our amendment could mean as much as $190 million over the next 18 months for health care and social services that would help our most needy citizens. In other words, this is about helping those who are most vulnerable in our society. In addition, our proposal makes sound economic sense. Putting money into the hands of the States is a good way to stimulate economic growth.

After all, if we cut taxes in Washington only to have taxes increased in State capitals across this country, we will wipe out the good that we do by cutting taxes. We know if we get money into the hands of the States, they will put it directly into the economy, and that is just the kind of stimulus our economy needs.

Congress is most effective when it stands arm in arm, not toe to toe, with our partners, the States. Our States face a crisis of vast and still-expanding dimensions. We need to help. This amendment is a critical step forward in doing just that. I hope we will have another very strong bipartisan vote for our proposal so that we can ensure any fiscal relief is included in any economic growth package that we consider later this year.

I am happy to yield to my colleague from West Virginia.

Mr. ROCKEFELLER. I ask the Senator from Maine, in the summary before the vote tomorrow, opponents will no doubt ask what is our source of funding. That is a fair question to ask, and it has a very easy answer, in this case in a sense-of-the-Senate amendment.

Would the Senator from Maine be willing to clear up for our colleagues how we will pay for this?

Ms. COLLINS. The Senator from West Virginia raises an excellent question. Again, I stress that what our direction to the Finance Committee would say, when you report an economic growth package, fiscal relief up to at least $30 billion should be part of that package.

So our sense-of-the-Senate amendment does not increase the deficit. It does not increase the overall spending in this resolution. It does not increase the budget caps that are in this resolution. All it says is, when an economic growth package is reported by the Finance Committee, it should include the $30 billion in State fiscal relief.

So this proposal is budget neutral and it is deficit neutral. It does not have the impact that might cause some people otherwise to oppose it.

Mr. ROCKEFELLER. I thank the Senator and ask if she would further yield?

Ms. COLLINS. I am happy to yield to my friend.

Mr. ROCKEFELLER. It would be natural, in the nature of this body, for people to come and say—the Senator referred to this in her remarks—you are talking about making available $30 billion to the States; we have enough problems of our own at the Federal Government level. I pointed out in my remarks the recession we are in right now is more a matter, not of war that we are in, but the State situation and the Federal Government situation.

So people would say just let the States go ahead and pay for this. If they have to make cuts, they have to make cuts. It is their fault they are in this kind of situation.

I was wondering how the Senator would reply to that.

Ms. COLLINS. Mr. President, I would respond to that concern in two ways. First of all, the dramatic decline in revenues is not the fault of State governments. It is a product of the lagging economy we are in, and the lingering effects of the attacks on our Nation of September 11. The States have been prudent, have taken appropriate steps, but when you have 49 States, every single State but Wyoming, struggling to close budget gaps, it is clear it is not the result of profligate spending by one or two particular States but, rather, reflects our declining economy or our lagging economy.

What we have here is a confluence of the impact of September 11 and a recession with declining revenues that have caused these budget gaps in 49 States.

A second point is, despite our best efforts, the States are still going to have to make some very painful and difficult choices. In the State of Maine, we are facing a budget gap of over $1 billion. Under our proposal, Maine would get a much welcomed $190 million. There is still a long ways to go.

Our proposal will certainly help the States avoid some of the most harmful cuts, particularly in health care, which is our greatest concern, but it certainly does not mean States are let off the hook in any way.

Mr. ROCKEFELLER. If the Senator will further yield, she leads directly to the question I wanted to ask her. That is, that there are many who have not worked in the bowels of State government, so to speak, who think Medicaid is sort of a gift from the Federal Government to the States. They do not understand that there is a very complex formula wherein all the States have to contribute, the formula is based upon their prosperity, and things of that sort.

So the concept that this is somehow the Federal Government turning over money to the States and there is no cost to them doesn't make any sense, does it?

Ms. COLLINS. The Senator is absolutely correct. Medicaid is a partnership between the Federal Government and our partners, the States, to provide health care to low-income families, the very poor individuals, to those who need it most. Medicaid is the fastest growing component in State budgets. So States certainly are contributing to this program. It has been a successful partnership. We are suggesting a temporary increase over the next 18 months. I hope we will grant that.

I have several letters which I am going to have printed in the RECORD, which talk about protecting the States' ability to provide and deliver this health care, and points out, again, that these are health care services to the most vulnerable Americans we serve.

I ask unanimous consent that a letter from the National Association for Home Care and Hospice be printed in the RECORD.

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

HOMECARE & HOSPICE,
January 22, 2003.

Hon. BOB GRAHAM,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the National Association for Home Care & Hospice (NAHC), the nation's largest association representing home care and hospice providers, caregivers and the patients they serve, I am writing to commend you on the introduction of S. 138, the ''State Budget Relief Act of 2003.''

As you are well aware, the current economic downturn has resulted in drastically lower state tax revenues. Moreover, the number of uninsured continues to grow as more and more people are forced from the labor market. This has resulted in states being forced to cut their Medicaid budgets at the exact time that there is a growing need for services.

Your legislation, by temporarily increasing the Federal Medical Assistance Percentage (FMAP) as a way to direct additional federal funding to state Medicaid programs, will protect states' health care delivery systems and ensure the continuation of health services for the most vulnerable of our population. Without this assistance, many communities will find themselves with providers that are understaffed, have crumbling infrastructures, lack current medical technology, or have reduced or eliminated certain services.

NAHC believes that home health and hospice services remain one of the remedies to the widespread concern over growing health care costs. In recent years, state Medicaid programs have increased their utilization of home and community-based long-term care services in lieu of institutional care through the use of waivers. In fact, the Centers for Medicare and Medicaid Services (CMS) recently reported that Medicaid spending growth levels for home care services more than doubled between 2000 and 2001—from 8,6 percent to 17.3 percent. Some of this trend reflects the growing desire to implement the Supreme Court's Olmstead decision to provide disabled individuals care in the least restrictive setting possible and the Administration's goals as set forth in its ''New Freedom Initiative.'' This desirable trend is at risk of falling victim to the widespread cuts to the Medicaid program that states are being forced to implement due to budget shortfalls.

Once again, thank you for your leadership on this issue. Let me know if there is anything my staff or I can do to ensure the passage of this important legislation.

Sincerely,

VAL J. HALAMANDARIS,
President.

Mr. ROCKEFELLER. I thank the Senator from Maine.

Mr. SMITH. Mr. President, I rise today in support of this sense of the Senate amendment to provide funding for State fiscal relief.

States are suffering their worst fiscal crisis in over half a century.

Forty one million Americans live, work, and go to school without health insurance, and that number grows every single day.

I have been a strong supporter of State fiscal relief since the economy began to slow several years ago. Since then, the situation has only gotten worse. This is the third consecutive year of nationwide budget problems for the States.

According to the Kaiser Family Foundation, 49 States and the District of Columbia have taken Medicaid cost-containment action this fiscal year; additional cuts are expected next year as States struggle to fill budget shortfalls of billions of dollars.

States are reducing or freezing provider payments, establishing or strengthening prescription drug cost controls, reducing benefits, increasing co-payments for Medicaid beneficiaries, and most significantly, States are increasing restrictions on eligibility for Medicaid.

What does this mean? Let me be clear: it means that the number of uninsured Americans will continue to grow.

According to the CDC, Medicaid and SCHIP provided coverage for 2 million children and 1 million adults who lost their health coverage last year. In addition to those who did qualify for these programs, many more did not; they joined the ranks of the uninsured. In 2001, 1.4 million people became uninsured, and this number is likely to be even higher for 2002 and 2003.

While we need to strengthen our economy in the long run, it is imperative that we address the immediate economic problems, particularly the state fiscal crisis. State fiscal relief is one of the most effective policies the Congress could and should enact as part of the economic stimulus/growth package.

There is no question that States will spend any additional Federal funds they receive quickly, putting money directly into the economy rather than curtailing economic activity. As many economists have noted, we need to increase demand in the economy—but State budget actions to balance their budgets right now are reducing demand significantly.

This is precisely the wrong medicine at the wrong time for our economy.

Last year, 75 Senators voted to provide State fiscal relief by boosting FMAP payments to States, but in the end, the legislation was not signed into law and State fiscal relief—needed now more than last year—has still not been delivered.

The magnitude of the State fiscal crisis is growing steadily worse. Oregon alone is facing a budget deficit of at least $1 billion in the upcoming fiscal year. Already, one in four Medicaid recipients in Oregon is experiencing service cuts, and more reductions are on the way. Districts in my State have the shortest school year of any schools in the country. Some teachers in my State have even agreed to work for free in order to keep the schools open! And things are so bad for Oregon schools that recently the Doonesbury comic strip dedicated a whole week of comics to the sad state of Oregon school funding.

This proposal would bring almost $331 million to Oregon over the next 18 months, which would go a long way to maintain the fragile health care safety net for vulnerable Oregonians. Bipartisan support for our FMAP proposal has grown steadily. It is supported by groups representing the States, the elderly, the disabled, children, and Oregon's governor Kulongoski, among many, many others. It has support because it is a sound proposal. It provides temporary assistance to States in a very timely and efficient manner.

Several weeks ago, I was in Oregon for a series of town hall meetings with my colleague Ron Wyden. At every stop, we spoke to people who were being affected by the first round of budget cuts. I can tell you, as we listened to these good people tell their stories, there wasn't a dry eye in the house.

The pain is real. We have to do something and we have to do it now, and I urge my colleagues to support this fiscal relief amendment to the budget.

The PRESIDING OFFICER. Who yields time? Does the Senator from West Virginia yield time?

Mr. ROCKEFELLER. How much time, might I ask the Senator, does he require?

Mr. NELSON of Nebraska. I estimate 5 minutes.

Mr. ROCKEFELLER. The Senator is welcome to that.

Mr. NELSON of Nebraska. Mr. President, it is a pleasure to join with my colleague from the State of Maine. We have been working for a long time to bring about help for the States in the area of Medicaid and in the area of welfare reform and social services.

Our amendment makes it clear that the Senate recognizes the partnership between the Federal Government and the States, and is committed to helping the States see their way out of their dire budget situation.

How bad is this budget shortfall? The States are currently experiencing the worst fiscal crisis since World War II. States have accumulated $26 billion in deficits this year on top of $50 billion in deficits from last year. Even greater gaps, reaching upwards of $70 to $85 billion in deficits, are projected for the next fiscal year. It is, in fact, a crisis.

But the budget crisis is more than just numbers and dollars. This is about real people. And the people of our States have been hit hard by the tough economic times. Nearly every State is required to have a balanced budget, even during a recession. The rainy day funds have run dry and funding for programs as critical as Medicaid have been cut to the bone. The only option left for many States is to cut critical programs even further or raise taxes.

Just last year, Nebraska reduced the number of low-income working families that were eligible for assistance with childcare. More than 2,000 Nebraska families have lost childcare assistance as a result of this change. Those hardest hit are families that have managed to stay off welfare for more than 2 years. These families who have slowly but steadily made progress to self-sufficiency may soon find themselves struggling to pay their childcare bills and returning to the welfare rolls. Childcare assistance is integral to any effort to move families from welfare to work and to keeping low-income parents employed. State fiscal relief will protect the progress we have made in welfare reform over the past decade from being undone.

Many of the other cuts are being considered in the areas of education, health care, social services, and corrections.

My office recently received a call from Sharon Walters of Omaha, NE. The message she relayed is a good illustration of how these proposed cuts are affecting real people. She wanted to make sure I know the importance of my efforts to provide State fiscal relief. She represents Bethphage, an organization that provides community-based services for people with disabilities. She was worried because much of their funding comes from Medicaid. Because of so many proposed cuts to the Medicaid program, Bethphage and other programs like theirs, may soon be forced to limit the good work they do if State budgets do not see some relief soon.

State fiscal relief is not only needed to protect education, health care, Medicaid and other social service programs, it is needed to stimulate our economy.

In discussing various jobs and growth proposals with my colleagues this year, I have repeatedly asked them to ''Show me the Stimulus'' and demonstrate how proposed tax cuts or spending will get our economy back on track.

Although economists differ on the stimulative effect of the varying tax cut proposals, I think there is little question that providing States with fiscal relief would be a boost to the economy. In fact, State fiscal relief may provide more ''bang for the buck'' than many of the other stimulus proposals being discussed. According to a recent study done by Mark Zandi at economy.com every dollar spent in State fiscal relief will create $1.24 in demand the following year.

At a time when we are trying to get the economy back on track, it would be irresponsible for the Senate to turn its back on this nationwide crisis and do nothing.

It doesn't make much sense to cut taxes in Washington while States are

forced to raise them in Lincoln, Des Moines, Topeka, Pierre, Saint Paul, or wherever and other State capitals throughout the United States. State fiscal relief is a commonsense approach to getting our economy back on track. As well, it is the right thing to do. Not only will State fiscal relief shield the people of our States from some of the tough economic times, to some extent, it will also stimulate our economy and return individuals and States alike to financial security.

Again, I thank my colleagues—Senators COLLINS and ROCKEFELLER—for their work on this important effort and urge my colleagues to join us in supporting this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NELSON of Nebraska. I thank my colleagues and thank the Presiding Officer for this time.

The PRESIDING OFFICER. The Democratic whip.

Mr. REID. Mr. President, on behalf of Senator CONRAD, I yield to the distinguished Senator from Maryland 20 minutes.

Mr. SARBANES. At most.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I intend to speak to an amendment which will be offered tomorrow. I take this approach because I am joined in sponsoring this amendment by Senator JEFFORDS, Senator MIKULSKI, and Senator BOB GRAHAM of Florida. And they will, presumably, be able to address the amendment as well on that occasion.

The amendment that we will offer will boost Federal funding for the Clean Water and Safe Drinking Water State Revolving Funds from the level that is recommended in the budget resolution, which is $2.2 billion, to $5.2 billion; $3.2 billion of this for the Clean Water State Revolving Fund and $2 billion for the Safe Drinking Water State Revolving Fund.

Regrettably, the President's budget for fiscal 2004 and the budget resolution severely shortchange the funds needed by State and local governments to upgrade their aging wastewater and drinking water infrastructure.

The President's budget provides only $1.7 billion for both State Revolving Funds, equally split. The budget resolution recommends a somewhat higher figure, a little over $2 billion for both funds, but that is still far short of what is needed.

Despite progress over the last three decades, EPA reports that more than 40 percent of our Nation's lakes, rivers, and streams are still too impaired for fishing or swimming. Discharges from aging and failing sewage systems, urban storm water, and other sources continue to pose serious threats to our Nation's waters, endangering public health and both the fishing and recreational industries.

Of course, as we all realize, population growth and development are placing additional stress on the Nation's water infrastructure and our ability to make sustainable gains in water quality.

Across the Nation, our wastewater and drinking water systems are aging. And, in some cases, systems currently in use were built more than a century ago and have outlived their useful life.

For many communities, current treatment is not sufficient to meet water quality goals. Recent EPA modeling indicates that municipal wastewater treatment facilities in my own State will have to reduce nitrogen discharges by nearly 75 percent to restore the Chesapeake Bay and its tributaries to health.

In April of 2000, the Water Infrastructure Network, a broad coalition of locally elected officials, drinking water and wastewater service providers, State environmental and health administrators, engineers, and environmentalists released a report, ''Clean and Safe Water for the 21st Century.'' This report documented a $23 billion a year shortfall in funding needed to meet national environmental and public health priorities in the Clean Water Act and in the Safe Drinking Water Act. And all of the studies have substantiated this gap. For example, in May of 2002—less than a year ago—the Congressional Budget Office released a report showing very large gaps for clean water needs and drinking water needs over the next 20 years.

The need for additional investment in wastewater and drinking water infrastructure is clearly documented. But States, localities, and private sources cannot meet the funding gap alone. Local communities already pay almost 90 percent of the total cost, or about $60 billion a year, to build, operate, and maintain their drinking water and wastewater systems.

But as Administrator Whitman recently pointed out:

> The magnitude of the challenge America faces is clearly beyond the ability of any one entity to address.

States are currently facing the worst fiscal crisis in 50 years and cannot afford to make new investments in clean water and drinking water infrastructure.

Clearly, water pollution is an interstate problem that requires, in part, a Federal response. In our own case, in Maryland, water flows into the Chesapeake Bay from six States. Other States need to make investments as well in order to clean up the watershed. It is vital that the Federal Government maintain a strong partnership with States and local governments in order to address this major environmental challenge.

The increases provided for in this amendment are the first step necessary to deal with this pressing problem. It represents an investment in the health of Americans and a clean environment, and is, I believe, an investment that will pay substantial dividends.

Wastewater treatment plants not only prevent billions of tons of pollutants from reaching our rivers, lakes, streams, and coasts, they also help prevent waterborne diseases and make waters safe for swimming and fishing. In fact, the Water Infrastructure Network says that clean water supports $50 billion a year in the water-based recreation industry, at least $300 billion a year in coastal tourism, $45 billion annually in commercial fishing and shellfishing, and hundreds of billions of dollars a year in basic manufacturing that relies on clean water.

According to the Water Infrastructure Network, clean rivers, lakes, and coastlines attract investment in local communities and increase land values on or near the water, and that, in turn, creates jobs, adds to the tax base, and improves revenues for local, State, and Federal governments. Some 54,000 community drinking-water systems provide drinking water to more than 250 million Americans. By keeping water supplies free of contaminants that cause disease, these water systems reduce sickness and related health care costs. They reduce absenteeism in the workforce. And they, obviously, add to our quality of life.

Investment in the infrastructure we are talking about here—sewer and water improvements—would also create substantial numbers of jobs through construction. It would provide an impetus to our economy at a time when it needs an impetus.

There is strong support for increased investment in infrastructure. Colleagues on both sides of the aisle have taken a lead on this issue over the years.

The case for the amendment is compelling. Maintaining clean, safe water remains one of our leading national challenges. This budget resolution should not and need not come at the expense of human health or a clean environment. I strongly urge my colleagues, when the amendment is presented, to support it and to begin to address this large funding gap that looms into the future with respect to this very important aspect of our domestic agenda. This is both good environmental policy and good economic policy. Support for this amendment will offer an opportunity to continue to make progress on clean water and safe drinking water. I commend the amendment to my colleagues when it is brought before them at the appropriate time.

Mr. President, I have a number of letters from organizations in support of the amendment. I ask unanimous consent to print them in the RECORD.

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

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, March 19, 2003.

Subject: Support for the Jeffords/Sarbanes/Mikulski/Graham SFR amendment.

DEAR SENATOR: The National Association of Counties (NACO) supports the Jeffords/Sarbanes/Mikulski/Graham amendment to boost funding for the Clean Water and Safe

Drinking Water State Revolving Funds (SRF) from the Fiscal 2003 enacted level of $2.19 billion to $5.2 billion.

Despite progress over the past 30 years, the Environmental Protection Agency reports that more than 40 percent of our nation's lakes, rivers, and streams are still too impaired to be utilized for their intended use. And, discharges from aging and failing sewage systems, urban storm water and other sources continue to pose serious threats to our nation's waters. Population growth and development only place more stress on the nation's water infrastructure and its ability to maintain current standards.

On September 30, 2002, the EPA released a Clean Water and Drinking Water Infrastructure Gap Analysis. This report discovered a $535 billion gap between current spending and projected water and wastewater infrastructure needs over the next 20 years if additional investments are not made.

It is vital that the Federal government work with the state and local governments to prevent this massive projected funding gap and share the burden of maintaining and improving the nation's water infrastructure. An increase in funding for the Clean Water SRF to $2 billion in fiscal year 2004 is the first step necessary to meet these funding requirements.

Additionally, each billion dollars invested in water infrastructure creates an estimated 40,000 jobs. So this amendment is both pro-environmental policy and pro-economic policy. Thank you for offering this timely and important amendment.

Sincerely,

LARRY NAAKE,
Executive Director.

NATIONAL LEAGUE OF CITIES,
Washington, DC, March 19, 2003.

Hon. PAUL SARBANES,
U.S. Senate,
Washington, DC.

DEAR SENATOR SARBANES: On behalf of the National League of Cities and the 18,000 cities and towns across the nation we represent, we would like to express our support for your efforts, along with those of Senators Mikulski, Graham and Jeffords, to increase funding for the Clean Water and Drinking Water State Revolving Funds.

As you know, our cities and towns are facing a $23 billion funding gap annually to repair and replace aging infrastructure for these critical, but unseen, services, despite annual local expenditures of more than $60 billion for wastewater and drinking water. We also agree that investments in our water and wastewater infrastructure can serve as a job creation component of an economic stimulus initiative.

We applaud and appreciate your efforts and offer any assistance we can to help you attain your objective.

Sincerely,

DON BORUT,
Executive Director.

ASSOCIATION OF
METROPOLITAN WATER AGENCIES,
Washington, DC, March 19, 2003.

Hon. PAUL S. SARBANES,
U.S. Senate,
Washington, DC.

DEAR SENATOR SARBANES: On behalf of the nation's largest public water suppliers, thank you for your efforts to increase funding for the drinking water and clean water state revolving funds (SRFs) to $5.2 billion in fiscal year 2004. If this increase is appropriated, the benefits will be safer water supplies, cleaner rivers and streams, and a stronger economy.

The Association of Metropolitan Water Agencies represents the nation's largest publicly owned drinking water providers. ANWA's members serve safe drinking water to more than 110 million Americans.

Sources including the Water Infrastructure Network, EPA, GAO and the CBO confirm that water systems face multi-billion-dollar gaps in funding, as water facilities, particularly underground distribution systems, reach the end of their useful lives. According to WIN, the gap between what utilities currently invest and what they will need to invest over the next 20 years is $23 billion per year. Water systems themselves pay the majority of infrastructure costs, but federal help is needed, especially for metropolitan systems.

Twenty-one States provided no assistance to systems serving 100,000 or more people between 1996-2002. Thirteen more States provided assistance to only one or two of these systems. Only a substantial boost in funding will provide the opportunity to better help our nation's largest public water systems.

Thank you for supporting drinking water and wastewater infrastructure funding.

Sincerely,

DIANE VANDE HEI,
Executive Director.

WATER ENVIRONMENT FEDERATION,
March 19, 2003.

Hon. PAUL SARBANES (D-MD),
Washington, DC.

DEAR SENATOR SARBANES: It is our understanding that you and other Senators plan to offer an amendment during consideration of the FY 2004 Budget Resolution that would substantially increase funds available for the Clean Water and Safe Drinking Water state revolving funds (SRFs). The Water Environment Federation, an organization whose members are directly involved in the implementation of clean water programs, strongly supports this amendment.

The need for increased investment in water infrastructure is well documented. In September 2002, the Environmental Protection Agency released a Clean Water and Safe Drinking Water Infrastructure Gap Analysis which found that there will be a $535 billion gap between current spending and projected needs for water and wastewater infrastructure over the next 20 years if additional investments are not made. In May 2002, the Congressional Budget Office released a report that estimated a spending gap for drinking water between $132 billion and $388 billion over 20 years and the spending gap for drinking water needs at between $70 billion and $362 billion over 20 years.

WEF, founded in 1928, is a not-for-profit technical and educational organization with members from varied disciplines who work toward the WEF vision of preservation and enhancement of the global water environment. The WEF network includes more than 100,000 water quality professionals from 79 Member Associations in 32 countries.

Sincerely,

TIM WILLIAMS,
Managing Director,
Government and Public Affairs.

ASSOCIATION OF
METROPOLITAN SEWERAGE AGENCIES,
Washington, DC, March 19, 2003.

Hon. PAUL SARBANES,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

Hon. JIM JEFFORDS,
U.S. Senate, Dirksen Senate Office Building,
Washington, DC.

Hon. BARBARA MIKULSKI,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

Hon. BOB GRAHAM,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATORS: On behalf of the nearly 300 publicly owned wastewater treatment agency members who provide treatment to a majority of Americans, the Association of Metropolitan Sewerage Agencies (AMSA) offers its support for your amendment to the Fiscal 2004 Budget Resolution. Your amendment would boost funding for the Clean Water State Revolving Fund (CWSRF) from its current funding level of $1.35 billion to $3.5 billion in fiscal year 2004, an increase which AMSA believes would mark an important first step toward developing a long-term, sustainable solution for the wastewater infrastructure funding gap.

As your March 14 Dear Colleague letter aptly states, ''It is vital that the Federal government maintain a strong partnership with states and local governments in averting this massive projected funding gap and share in the burden of maintaining and improving the nation's water infrastructure,'' Your amendment demonstrates that water quality remains a high priority for the 108th Congress and helps bring the significant goal of overcoming the clean water funding gap within reach.

AMSA's overarching goal is to ensure America's clean water progress. Once again, we thank you for your support of the nation's publicly owned treatment works and for your help in meeting this critical national objective. AMSA looks forward to working with you on a long-term, sustainable funding solution for the nation's core wastewater infrastructure. If you have any questions, please contact me at 202/833–2672.

Sincerely,

KEN KIRK,
Executive Director.

ASSOCIATION OF
CALIFORNIA WATER AGENCIES
Washington, DC, March 19, 2003.

Hon. PAUL SARBANES,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

Hon. JIM JEFFORDS,
U.S. Senate, Dirksen Senate Office Building,
Washington, DC.

Hon. BARBARA MIKULSKI,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

Hon. BOB GRAHAM,
U.S. Senate Hart Senate Office Building,
Washington, DC.

DEAR SENATORS: The Association of California Water Agencies (ACWA) strongly supports your proposed amendment to the fiscal year 2004 Budget Resolution to increase funding for the Clean Water and Safe Drinking Water State Revolving Funds (SRFs).

Throughout the United States, these programs provide indispensable resources to rural areas and municipalities alike for projects that enable compliance with drinking water standards, protection of waterways, sanitation, environmental preservation and more. The SRFs are the backbone of our water infrastruce, and with increasingly severe demands on water supplies, the Funds

will become more important in the years ahead.

Last year the U.S. Environmental Protection Agency acknowledged a multi-billion dollar need for reinvestment in our water infrastructure, and this ''funding gap'' is the ongoing subject of bipartisan legislation.

ACWA represents 440 public water agencies in California collectively responsible for more than 90 percent of the water delivered for residential and agricultural use.

Thank you for your efforts to increase funding for water infrastructure in the 2004 budget, and we look forward to working with you to advance this worthwhile goal.

Sincerely,

DAVID L. REYNOLDS,
Director of Federal Relations.

AMERICAN SOCIETY OF CIVIL ENGINEERS,
Washington, DC, March 19, 2003.

Hon. PAUL SARBANES,
Hart Building,
Washington, DC.

DEAR SENATOR SARBANES: I am writing on behalf of the 130,000 members of the American Society of Civil Engineers (ASCE) to support passage of your amendment to increase funding for the Clean Water Act and Safe Drinking Water Act State Revolving Loan Fund (SRF) programs for fiscal year 2004.

Two years ago ASCE released its 2001 Report Card for America's Infrastructure. At that time, we found that the nation's aging wastewater and drinking-water systems received an overall grade of D. These systems are quintessential examples of aged systems that need to be updated. For example, some sewer systems are 100 years old. Many older drinking-water systems are structurally obsolete.

The annual funding shortfall of $11 billion for drinking-water and $12 billion for wastewater only accounts for improvements to the current system and do not even take into consideration the demands of a growing population.

The amendment that you propose would help make an important down payment on the necessary investment in our long-neglected water systems.

If ASCE can be of any assistance in this important endeavor, please do not hesitate to contact Brian Pallasch at 202–326–5140 or Michael Charles at 202–326–5126.

Sincerely yours,

THOMAS L. JACKSON, P.E.,
President.

CONSTRUCTION MANAGEMENT ASSOCIATION OF AMERICA,
McLean, VA, March 19, 2003.

Hon. JAMES M. JEFFORDS,
U.S. Senate,
Washington, DC.

Hon. BARBARA A. MIKULSKI,
U.S. Senate,
Washington, DC.

Hon. PAUL S. SARBANES,
U.S. Senate,
Washington, DC.

Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATORS JEFFORDS, MIKULSKI, SARBANES, AND GRAHAM: I am writing on behalf of the more than 2,000 members of the Construction Management Association of America (CMAA) to express our strong support for the proposed amendment you plan to offer today during consideration of the FY 2004 Budget Resolution, which would increase funding for the Clean Water and Safe Drinking Water State Revolving Funds (SRF) from the Fiscal 2003 enacted level of $2.2 billion to $5.2 billion.

CMAA is an industry association of firms and professionals who provide program and construction management services to owners in the planning, design and construction of capital projects of all types. CMAA's mission is to ''promote professionalism and excellence in the management of the construction process.''

As you are well aware, America's water infrastructure systems are aging, deteriorating and demanding attention. Reports show that municipal sewer systems overflow some 40,000 times annually. In addition, approximately 42 million Americans are served by old sewer systems that don't even separate storm water from waste. The need for improvement is clear, and growing.

According to a 2001 report published by The Water Infrastructure Network (WIN), of which CMAA is a member, wastewater systems faced a daunting capital investment shortfall of approximately $12 billion each year over the next two decades. A similar report by the Congressional Budget Office (CBO) concluded in 2002 that ''costs to construct, operate, and maintain the nation's water infrastructure can be expected to rise significantly in the future.'' The CBO conservatively estimated that the needs would be $13 billion annually for wasterwater systems over the next 20 years.

An increase in funding for the Clean Water SRF to $3.2 billion and for the Safe Drinking Water SRF to $2 billion in fiscal year 2004, as proposed in your amendment, would help address this massive water infrastructure funding gap.

Once again, CMAA offers its strongest support for this important amendment and commends you for your leadership in helping to address our nation's water infrastructure funding gap. Should you have any questions or comments, please do not hesitate to contact Elizabeth Aronson, our Director of Government Affairs, at 703/216–3248.

Thank you for the opportunity to comment on this important matter.

Sincerely,

BRUCE D'AGOSTINO,
Executive Director.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA,
Alexandria, VA, March 18, 2003.

Hon. PAUL SARBANES,
U.S. Senate,
Washington, DC.

DEAR SENATOR SARBANES: As you consider the Fiscal Year 2004 Budget Resolution, the Associated General Contractors of America (AGC) urges you to support the Jeffords-Sarbanes-Mikulski-Graham amendment to boost funding for the Clean and Safe Drinking Water State Revolving Funds. The amendment would increase funding from the Fiscal Year 2003 enacted level of $2.19 billion to $5.2 billion.

AGC is proud of the role the construction industry has played in improving water quality. However, the needs facing our nation's wastewater and drinking water systems are tremendous. The EPA reports that more than 40 percent of our nation's lakes, rivers, and streams are still too impaired for fishing or swimming. Discharges from aging and failing sewage systems, urban storm water and other sources continue to pose serious threats to our nation's waters, endangering not only public health, but also fishing and recreation industries. Population growth and development have placed additional stress on the nation's water infrastructure and its ability to sustain the water quality gains realized since the inception of the Clean Water Act. Today, maintaining clean, safe water remains one of our greatest national and global challenges.

In May 2002, the Congressional Budget Office released a report that estimated the spending gap for clean water needs between $132 billion and $388 billion over 20 years and the spending gap for drinking water needs at between $70 billion and $362 billion over 20 years. In September 2002, the EPA released the Clean Water and Drinking Water Infrastructure Gap Analysis which found that there will be a $535 billion gap between current spending and projected needs for water and wastewater infrastructure (combined) over the next 20 years if additional investments are not made. When the analysis was released Administrator Whitman pointed out, ''. . .the magnitude of the challenge America faces is clearly beyond the ability of any one entity to address.''

The funding included in this amendment will improve our water systems, the environment, and also create tens of thousands of jobs. Please support the Jeffords-Sarbanes-Mikulski-Graham amendment.

Sincerely,

STEPHEN E. SANDHERR,
Chief Executive Officer.

Mr. NICKLES. Will the Senator yield for a brief question?

Mr. SARBANES. I am happy to yield.

Mr. NICKLES. I missed the opening part of his comments. Can the Senator tell me how much money is involved and over what period of time?

Mr. SARBANES. The amendment has another $3 billion for these purposes, both for the Clean Water and the Safe Drinking Water State Revolving Funds. These are the moneys that go into the State Revolving Funds. Then, of course, they have to be matched by the States and often the localities. So the amount of money is leveraged significantly beyond what the Federal contribution would be.

Mr. NICKLES. So there would be a total of $3 billion over the 10-year period of time.

Mr. SARBANES. Another $3 billion, that is right.

Mr. NICKLES. I thank my friend. Am I correct it would be offset, reducing the tax reductions that are in the proposal?

Mr. SARBANES. The bill has room in it for $726 billion worth of tax cuts. Obviously, this raises the question of priorities. Is it more important to give these particular tax cuts, which, of course, I believe strongly are heavily weighted towards the wealthy, as opposed to making some investment in programs of this sort? We have to connect the two. I am willing to look at doing reasonable tax cuts, but I think what is in the resolution, as the chairman knows from my statements in committee, is far too excessive. If it were up to me, I would reduce that amount. I would use a limited portion of it to fund some of these priority programs. I would use the remainder of it to hold down the deficit so we are not projecting such large deficits out into the future.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my colleague for offering his amendment. We will consider the amendment tomorrow. We have already had three or four amendments that are in the queue tomorrow. I understand there

will be others. We have asked other Senators to come forward tonight to offer their amendments. The Senator from Maryland is doing that and explained it. I appreciate his explanation of the amendment. I am sure we will try to get that in the queue. I know Senator CRAPO has an interest on this issue as well.

It is 8:45, and we have requested colleagues if they had amendments to bring those to the floor. I am concerned about having a vote-arama or having so many people saying: Wait a minute, I didn't have a chance to offer my amendment.

We have been saying all along that we would be in session very late tonight to receive amendments. We will be in session very late tomorrow tonight to dispose of amendments. I would like to see if we can't work out some amendments, accept some amendments, voice vote some amendments, and work toward completing this bill and avoid the crash at the end, the vote-arama where we have votes on amendments without having the slightest idea what is in them. We have done that in the past. That is not a good way to legislate. I would like to avoid that if possible.

I thank my colleague from Maryland for coming late tonight and offering the amendment. I wish more Senators would have. I look forward to working with him tomorrow.

The PRESIDING OFFICER. Who yields time?

Mr. REID. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Mr. President, I ask unanimous consent that at 4 p.m. on Thursday, the Senate proceed to a series of votes in relation to the following amendments: Kyl amendment No. 288; Dorgan amendment No. 294; Rockefeller-Collins amendment No. 275. I further ask unanimous consent that no second-degree amendments be in order to any of the preceding amendments prior to the vote, and that there be 2 minutes for debate equally divided prior to each vote.

Mr. REID. Mr. President, I ask if the Senator will modify his unanimous consent request that there be 10 minutes between the second and third votes.

Mr. NICKLES. Mr. President, I ask unanimous consent to limit the time on the last two amendments to 10 minutes.

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

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business.

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

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. In the last Congress, Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred on September 12, 2001, in New York, NY. Five teenagers attacked an Arab-American candy store owner. The teenagers stopped in front of the small store and asked the owner, who stood in the doorway, ''Do you feel sorry for America?'' Without waiting for a response, one teen punched the owner, sending him reeling backwards onto the floor, bleeding heavily. The assailants were able to flee from the scene before witnesses could catch them.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

ZORAN DJINDJIC

Mr. LEAHY. Mr. President, the cold-blooded assassination of Serbian Prime Minister Zoran Djindjic is a tragedy not only for Serbia, but for the other former Yugoslav republics whose futures are so closely linked. I knew and admired Prime Minister Djindjic from our meetings in Washington, and I want to express my deepest sympathy to his family and to the Serbian people.

Zoran Djindjic was a charismatic and courageous leader who recognized that Serbia's best hope, after years of nationalist-inspired ethnic hatred and war destroyed Yugoslavia and caused the deaths of hundreds of thousands of innocent people, was to follow the path of democracy and the rule of law. This was not an easy choice, as it required confronting the forces of corruption and evil which, despite the overthrow of Slobodan Milosevic, have sought to preserve the status quo.

It was Prime Minister Djindjic who, at considerable personal risk, obtained Milosevic's arrest, after President Kostunica refused to cooperate with the Hague tribunal. Turning over Milosevic was a key step, but Mr. Djindjic understood that it was only the first step toward a formal break with the failed policies of the past.

For the past 3 years, the Congress has provided substantial aid to support economic and political reform in Serbia. However, we have also made clear in legislation and in discussions with Serb officials, that continued cooperation with the Hague prosecutor is essential for continued United States aid to Serbia. There were times in our discussions when Serb officials complained bitterly that the United States and the Hague prosecutor were pressuring them too hard to apprehend and transfer suspected war criminals. In fact, they did so even before the arrest of Milosevic. We responded that while we did not expect them to apprehend all the indictees in Serbia overnight, the United States cannot provide millions of dollars in aid unconditionally to a government that harbors indicted war criminals.

Since the arrest of Milosevic, the Serb Government's cooperation with the Hague tribunal has been sporadic. Mr. Djindjic wanted to move faster, while Mr. Kostunica stood in the way. While some indictees have been turned over, 18 remain at liberty and access to witnesses and documents necessary to the prosecution of these cases has been unsatisfactory. Moreover, there has often been no cooperation until just weeks or days before the deadline in U.S. law for the cutoff of aid.

I mention this because immediately after Prime Minister Djindjic was gunned down some Serb officials blamed his assassination on the pressure exerted on Serbia by the United States and the war crimes prosecutor. I understand that reaction. It is convenient to blame others rather than to acknowledge the difficult but essential task at hand—to remove from the security forces those Milosevic loyalists involved with and protecting organized crime figures and war crimes suspects. But I believe that had the Serb Government moved faster, and more aggressively—as Prime Minister Djindjic urged for the benefit of the Serbian people and the survival of democracy—to arrest those who made no secret of their efforts to thwart reform, this tragedy might have been avoided.

Zoran Djindjic's death has kindled an outpouring of sympathy. Millions of Serbs have taken to the streets to express their support for the policies he fought for. Let us hope that just as millions of Serbs joined together three years ago to oust Milosevic from power, Zoran Djindjic's death will be the catalyst for a renewed and unrelenting effort to destroy the remaining vestiges of the Milosevic era. The United States stands ready to strongly support that effort. There is no alternative, if Serbia is to take its place in today's democratic Europe.

HONORING AMERICAN SOLDIERS

Mr. ALLEN. Mr. President, I rise to honor our brave soldiers fighting in the global war on terrorism. We recently passed the first anniversary of Operation Anaconda, a critical seven-day

military effort within Operation Enduring Freedom that helped break the back of the Taliban and al-Qaida in Afghanistan. It is fitting to take time to remember the sacrifice of the participants in that noble undertaking in the mountains of Afghanistan, and to ask Americans to pray for those who gave their lives. Let us also pause to recall the continuing efforts of our armed forces and civilian national security employees in Operation Enduring Freedom, and in the global war on terrorism. We are profoundly grateful for the sacrifices of all, and offer our prayers and deep gratitude to them and to their families.

On March 1, 2002, Americans went into battle near Gardez, Afghanistan, with Afghan and other allies, to attack al-Qaida and Taliban forces in eastern Afghanistan. Over the course of seven days, our forces engaged and defeated determined terrorist forces throughout mountains and rough terrain, at elevations as high as 12,000 feet, and in temperatures that dropped to 15 degrees Fahrenheit at night.

During Operation Anaconda, American Special Operations Forces combined with elements of the 101st Airborne Division, the 10th Mountain Division, and other aviation and ground units representing several allied nationalities to bring the war begun on September 11, 2001, directly to the terrorists and their supporters.

On March 4, 2002, a small American force came under night attack at a desolate mountain base at Takur Ghar. As a result of the ensuing engagement, seven Americans died. They gave their lives while trying to help each other, in a remote and forbidding place where their duty and their devotion to one another and their families had taken them. These seven Americans—like all Americans, civilian and uniformed, now engaged in the noble effort to end the terrorist threat to our Nation—were volunteers. They didn't have to be on Takur Ghar, but when called they did not hesitate to step forward and say ''send me.'' As a testament to their heroism, at least eight Silver Stars, the Nation's second highest medal for valor, were awarded to participants in the battle along with almost thirty Bronze stars and numerous other awards.

Mr. President, Americans and their allies gave their lives during Operation Anaconda and elsewhere in Afghanistan. Americans and their allies have given their lives in other engagements in Operation Enduring Freedom.

Let us take a moment to reflect upon the sacrifices of those who died on Takur Ghar, and on other remote battlefields in the war on terrorism. Let us rededicate ourselves to ensuring the safety of home and hearth for their families, and for ours. Finally, let the Senate and all Americans show deep gratitude for their unselfish decisions to step forward and say ''send me.''

ADDITIONAL STATEMENTS

TRIBUTE TO NEW HAMPSHIRE POSTAL WORKERS

• Mr. SUNUNU. Mr. President, contrary to popular belief, this motto, which appears on a number of postal buildings, is not the official motto of the United States Postal Service. But it certainly could have been this past winter in the Granite State, where we suffered through some of the coldest temperatures and heaviest snowfalls in recent memory.

In spite of these challenges, Postal Services employees in New Hampshire have achieved record performance. On-time First-Class overnight mail service is at all-time record levels, and customer satisfaction is at 98 percent. In addition, New Hampshire's Postal employees re the safest in the Northeast and among the safest in the nation. Under ordinary working conditions, these achievements would be impressive. When you consider the bone chilling cold and seemingly relentless snows of these past few months, these achievements are even more remarkable and indicative of the dedication and commitment of New Hampshire's Postal employees.

While the New Hampshire District of the United States Postal Service has always been among the national leaders in serving and satisfying their customers, I want to publicly thank each of New Hampshire's 4,000 Postal employees for their tireless efforts, especially over these past few months: the employees are the processing and distribution plants who made sure that the mail was ready for timely dispatch despite the concelled flights and closed roads caused by the inclement weather, the maintenance people who kept the sorting machines running efficiently as well as the employees who maintained the vehicles so that mail could be transported safely and on time; letter carriers that withstood the cold, brutal weather and traversed through mountains of snow to provide delivery to their customers; and the clerks in the post offices who cheerfully greeted customers and gladly handed over mail rendered undeliverable in areas with impassible roads.

I also would like to give a well-deserved thank you to the postal customers in our great state who worked so hard to maintain safe access to their mail receptacles. Clearly, mail service this past winter was a team effort requiring patience and cooperation among and between Postal employees and New Hampshire's Postal customers. Once again, New Hampshire's hardy residents and Postal employees delivered.•

HONORING THE LOUISVILLE BALLET

• Mr. BUNNING. Mr. President, I have the privilege and honor of rising today to recognize the Louisville Ballet, the State Ballet of Kentucky. Last week, this organization celebrated its 50th anniversary in the performing arts. This occasion was marked by special performances and educational events throughout the week.

This company originally started as a civic ballet company, performing on a production-by-production basis. It was not until 1975, when eight dancers were hired as an ensemble company, that the company achieved professional recognition and status. Now, 50 years later, the Louisville Ballet employs over 30 dancers, occupies the award-winning Louisville Ballet Center, administers the Louisville Ballet School, and reaches over 100,000 people every year. Their reputation for excellence in the arts drew the world-famous dancer Mikhail Baryshnikov to perform with the company for two seasons during the late seventies.

In addition to bringing excellence in performing arts to thousands of ballet fans, the company takes immense pride in its educational outreach programs offered to students. Through in-school, in-theater, and in-studio programs, students gain a behind-the-scenes glimpse of the ballet world, from early production planning basics to viewing a live performance. More importantly, these programs emphasize the importance of physical activity and positive self-esteem.

I appreciate the tradition of excellence created by the Louisville Ballet Company and their efforts to reach out to communities. Please join me in congratulating artistic director Mr. Bruce Simpson and the Louisville Ballet Company and wishing them another wonderful 50 years and beyond.•

TRIBUTE TO MATTHEW R. DUKSA, SR.

• Mr. DODD. Mr. President, I rise today to celebrate the life of Matthew R. Duksa, Sr., a Connecticut businessman who passed away on November 28, 2002. Mr. Duksa, known as ''Mattie'' to many of his friends, was born and raised on Oak Bluff Farm, his family's dairy farm in Southington, CT. He graduated from Lewis High School and then attended the Cheshire Academy and the Connecticut College of Commerce in New Haven. Later, he graduated Magna Cum Laude from the McAllister School of Embalming in New York.

In 1949, Mattie opened the Borawski-Duksa Funeral Home in New Britain, CT and began a career providing comfort to families in their darkest hours. In 1952, he established the Newington Memorial Funeral Home in Newington, CT. He served as president of both firms until his death this past November.

Too often we think of community service as some immediate, extraordinary act or some heroic event. But communities are shaped by the daily routines and simple acts of kindness and respect that citizens display each

day. Men like Mattie Duksa—who do difficult jobs that need to be done—help to define and reinforce the values of our communities. The businesses they run and the lives they lead affect us all for the better.

Outside his business, Mattie had a well-developed sense of civic duty. He was a Newington volunteer firefighter for 16 years. He served as Director of the Newington Volunteer Ambulance Company. He was Chairman of West Meadow Cemetery Expansion and Building Committee. And he was a proud member of the Organization of Polish Businessmen.

The communities he served came to rely on Mattie's gentle understanding and his spirit. In 1997, the Newington Chamber of Commerce named Mattie ''Business Person of the Year.'' In 2002, the funeral homes he founded were honored as ''Family Business of the Year'' by the University of Connecticut Family Business Program.

Mattie and his lifetime of service to his community will be missed, but remembered fondly by those who knew him and benefitted from his many contributions. I extend my sympathies to his wife Dottie, his son Matthew, his daughter Diana Duksa-Kurz, and his grandchildren James, Kristy, Johanna, and Jacqueline.●

HONORING MSGT KATHERINE BARTON

● Mr. BURNS. Madam President, today I rise to honor MSgt. Katherine Barton for her 20 years of service in the U.S. Air Force. She recently retired from the Wilford Hall Medical Center at Lackland Air Force Base, in San Antonio, TX.

Katherine Barton grew up on air force bases all over the country, moving every few years as her father, Lt. Col. William C. Flannigan, was promoted and reassigned. She enlisted in the Air Force in 1979 and began her distinguished Air Force career as a police officer. In subsequent years she became a supervisor in medical administration, where she continued to perform her duties in an outstanding manner, as well as earning her bachelor's degree in History from the University of Houston.

MSgt. Katherine Barton's service includes Active Duty assignments in New York and Texas, National Guard assignments in Vermont and Texas, and Air Force Reserve assignments in Louisiana and Texas.

MSgt. Katherine Barton and her husband, Keith, are the proud parents of three sons. Like most military families, Keith's support has been instrumental in Katherine's service to her country.

While in the Reserves, MSgt. Katherine Barton has been activated in time of war, not once, but twice; in January 1991 for the gulf war and again in October 2001 for the war on terror. When she was needed most, MSgt. Katherine Barton left her job as a teacher, the comforts of her home, and the arms of a loving family to serve her country.

Madam President, I congratulate MSgt. Katherine Barton for her 20 years of service to our great Nation. Her contributions to the U.S. Air Force and to all Americans she protected will not be forgotten.●

DAIMLERCHRYSLER

● Mr. LUGAR. Mr. President, I wanted to share with my colleagues the text of a speech delivered by Jürgen E. Schrempp, chairman of the Board of Management DaimlerChrysler AG, on December 2, 2002, at an event sponsored by the Center for Strategic and International Studies. I had the honor and privilege of introducing Mr. Schrempp at this event, and I hope his insights about the automotive industry and about international trade will be helpful as we, as a nation, work to strengthen our economy.

The speech follows.

THE TRANSATLANTIC PARTNERSHIP

1. Introduction—Senator Lugar, Excellencies, Honored guests, Ladies and Gentlemen, Thank you for your warm welcome. Senator, may I offer my special thanks for your thoughtful and gracious introduction. Your remarks are deeply appreciated, coming as they do from a world leader in the field of foreign affairs. I would also like to thank the good people from the Center for Strategic and International Studies—and specifically Simon Serfaty—for their hard work in making this conference such a success. The value of the CSIS in facilitating dialogue about what route Europe and America should follow, to fulfill their joint destiny, is immeasurable. It's a great pleasure—and a privilege—for me to be with you today. It is also an opportunity to talk about an important, visceral part of my life. That is the relationship between Europe and the United States.

2. A personal view of the United States—I have a very personal view of this connection. My first real contact with America came during the early eighties. I had been appointed chief executive of Euclid, a Daimler-Benz subsidiary operating out of Cleveland, Ohio. The company produced really heavy-duty trucks. And it was my first really heavy-duty job with Daimler-Benz. In this two-year period: I discovered the bottomless hospitality of the American people. I discovered the extent to which my body could produce adrenaline. I came to grips with the reality of America's leadership in world affairs. And I became very aware of our crucial transatlantic links! Links in which DaimlerChrysler now has an extremely healthy self-interest! DaimlerChrysler is, after all, the most significant German-American company.

3. America's role in Europe—From my perspective, the positive impact of American actions on Europe is central in much of what we, as Europeans, have become. One of the highest points I can recall was the role played by the 41st President of the United States, and his team, in unifying Germany. And, of course, ending the Cold War. Never forget: It was the Americans who stood in the vanguard against European communism. From thousands of kilometers away across the Atlantic! I was certainly not surprised. America's warmth and friendship has been a given for a long time. America helped to establish the Berlin relief-corridor after the war. It put in place the Marshall Plan to rehabilitate Europe. And its contribution to the wider freedoms now enjoyed by Europeans has been enormous.

4. The high stakes of alienating the EU from the US—Ladies and Gentlemen, Stakes are high in the complex areas of business and political diplomacy. Especially for the United States and Europe. More than anything, our priority must be to establish truths about one another and build on these. One such truth is that we are totally wedded to the cause of democracy. We are also inextricably bound together by the cause of those freedoms that define our civilization. These are the values that mark us as prime custodians of the free world. These are the values for which we are prepared to fight!

5. Commercial interdependence is the key—But it is not only these strong emotional ties that underpin the transatlantic bridge. Our commercial interdependence is a vital part of that bridge's structure. The United States and the European Union enjoy the world's most significant commercial relationship. They are, quite simply, each other's largest trade and investment partners. Together the United States and the EU account for 40 percent of world GDP as well as 80 percent of global foreign direct investment. It requires very little analysis to establish that this joint relationship is essential. Yet we now need to face a sudden and strange reality. The exceptional goodwill characterizing our historic links is being tested. Quite seriously, I might add.

6. The DaimlerChrysler example of excellent US/European relations—In this regard I have a real sense of deja vu. Mainly because of my experience at DaimlerChrysler! This merger offers the best example of outstanding transatlantic relations I can think of. Why do I say this? Well, shortly after the deal, global automotive markets began to deteriorate. The highly acclaimed ''Merger of the Century'' was suddenly under fire. But we stayed calm. We were patient. We held our course. Above all, we believed in ourselves. We had an unshakable sense that we should not meet operational challenges by changing our well-defined strategy. And, by the way, why should we have done so? Mercedes-Benz, the most valuable automotive brand in the world, remains the ultimate benchmark in the luxury segment. Our Commercial Vehicle Division was—and is—by some margin, the world's market leader in trucks, vans and buses. Therefore, we were able to focus on our main operational challenge. That was to implement our turnaround plan at Chrysler. Since then our phenomenal team in Auburn Hills has made outstanding progress. As a result, Chrysler Group earnings for the full-year 2002 will reflect a real turnaround. And on this score, I believe the empowering union of German and American interests was a critical factor. It prevented a deeper financial crisis—similar to those experienced at Chrysler in 1979 and 1991—from occurring. And Chrysler now enjoys the same access to credit markets as the rest of our group. Bearing in mind what happened before, I'm sure many Americans have recently breathed a huge sigh of relief!

7. The practical results of amalgamating Daimler-Benz and Chrysler—You may ask how we turned the corner. Firstly, we combined the very best of our American and German heritages. Then we unlocked the vast potential of our joint experience by working with extraordinary commitment—and loyalty—to one another! I can say with considerable pride that since the merger we have built an enterprise in which America and Germany can have great confidence. We have harmonized processes. We have exchanged components, engines and transmissions and other commodities. For example, we decided

that state-of-the-art five-speed automatic Mercedes-Benz transmission units would be manufactured in Kokomo, Indiana—Senator Lugar's home state! It was also decided that, for the benefit of our customers, these units would go into Chrysler vehicles. But this is just the tip of the iceberg. This investment is only part of a 30 to 40 billion dollar, five-year investment plan for North America. It's a plan that will offer optimal security for more than 100,000 employees, well into the future! I should add that, very selectively, we already share expertise and technology for different products. The new Chrysler Crossfire will be the first highly visible result of this policy. It is a breathtaking coupe. With great American design and Mercedes components. The Crossfire will hit the markets next year. At the point where—as we like to say—Route 66 meets the Autobahn. But what we have built together also has substantial global implications. We are now able to develop crucial interests in Asia. Our significant Japanese investment in Mitsubishi Motors and our stake in Hyundai of South Korea are such interests. So is the dynamic commercial vehicle business we are building in the region. Yet this is not all. China has moved into the frame as well. Soon we will have a meaningful, viable operation there. Which is why we can say with pride that ours is a truly global company.

8. Lessons from the DCX experience—Ladies and gentlemen, I would like to share with you what tough times have taught our great company. We have learned one of life's fundamental truths. That success and happiness depend to a great degree on an ability to confront and solve problems. Or challenges, as I prefer to call them. Another fact is absolutely clear to me. Today's positive results have come because Americans and Europeans resolved to capitalize on their differences. We did not succumb to them. We learned a third important lesson during the recovery process. Successful relationships need time for constant review and reaffirmation. Right now, I believe this is of wider and special significance. And, in this context, I feel a strong need for a constructive ''time out'' in the debate on relations between the US and Europe. There is currently far too much heat and far too little light on the subject! We need to regroup!

9. Potential points of dispute—Before we can do that, however, we have to concede that differences have arisen. The first area of conflict concerns trade. We are predominantly a transatlantic company. But trade restrictions imposed on either side of the Atlantic sometimes have really negative results! I think, for example, of US steel tariffs, and EU penalties in response to the FSC decision. We are simply caught in the crossfire. And our customers as well as employees pay the price. But my purpose in mentioning this is not to apportion blame. It is simply to note that trade restrictions do more harm than good. I therefore agree with the recent statement by President Bush that there is a need to remove tariffs. And non-tariff-based trade barriers. I hasten to add. Let's hope the leaders in charge of trade issues go down this road! There is a second front on which policy differences are always aired. The conflicting views of Europe and the US on global environmental matters have developed into a hot topic. Finally, geopolitical issues have arisen around national security and defense commitments. These discordant views are not restricted to partisan arguments. There are also internal disagreements—on both sides of the Atlantic. And, once again, most differences tend to be about procedure and the degree to which action is implemented. Fundamental objectives are seldom in dispute.

10. The need for openness and honesty—However, the problem seems to be systemic. And in the process, concerns that originate from fear have also emerged. Fear that unilateral rather than multi-lateral action could be taken to secure world peace. I think particularly of polarized policies on Iraq. But I don't want to go into detail on that. I simply want to make one point. Among great friends, such as the US and Europe, we are able to discuss differing views with complete honesty. In the same vein, however, we should do this face-to-face, and privately.

11. Call to intensify result-driven dialogue between the two continents—On the public front there is plenty of talk. Talk about how to revive transatlantic initiatives. But there is nothing that remotely resembles implementation. Let's get past the pussy footing! It's time for meaningful engagement and visible, tangible results. However, this will only come from blunt, hard-nosed implementation! In 1998, I found myself chairing the European section of the Transatlantic Business Dialogue. The TABD was the brainchild of the late Secretary of Commerce, Ron Brown and the former European Commissioner, Martin Bangemann. Founded in 1995, it was initially accepted by CEOs on both sides of the Atlantic with some enthusiasm. I'm even able to say that we achieved some encouraging results. But this organization, in its present form, has been allowed to stagnate. What we now need is dynamic interchange between the two continents. And such a process must take place with mutual commitment and enthusiasm from its transatlantic participants. Particularly herby on the political side. I undertake today that DaimlerChrysler will pursue any initiative along these lines. Provided it leads to sensible, intensified and result-driven work between us.

12. To keep the TABD or introduce a new process—At the very least, we need to reinvent the TABD. Or it may be preferable to start afresh. One thing is certain, however. We need to engage a dynamic group of leaders who should represent politics and business. They must select and tackle important as well as relevant issues. And they must be totally committed to the process of implementation. People who are prepared to roll up their sleeves and get stuck into things! People with a can-do attitude! People not afraid of breaking new ground! People of passion!

13. The need for a highly principled, organized mission—Such a body would be the best platform from which to proceed. And build on what the U.S. and Europe have thus far accomplished together. Which is an extraordinary amount! Take the multilateral institutions that have served us so well over the last 50 years. NATO, the IMF, the World Bank, the World Trade Organization, and the United Nations are among them! Quite clearly, their historic achievements signify an important reality. Now, with the Cold War consigned permanently to the deep freeze, some argue that we no longer have a really big issue to unite us. That instead we hassle over petty details. So I believe we have to find a new, highly principled mission. One that binds our two regions even more closely together! A mission that captures our imagination! Along with the hearts and minds of our global constituencies! In this connection, there are highly complex tasks ahead of us.

14. The priorities of corporations and governments—I refer to the finding of effective solutions for what Kofi Annan calls ''problems without passports.'' This will demand unusual levels of organization! It will also require great determination—and dedicated focus. For instance, we have to find common cause in the war against terror. But this should primarily be directed at preventive action. Never again can the infamy of September 11 be repeated. Joint intelligence sharing and cooperation on the gathering of financial intelligence would be a good start. Another constructive step would be close cooperation on important initiatives like the Nunn-Lugar program. This program is crucial. It offers safeguards against nuclear and scientific material in the former Soviet Union falling into the wrong hands. We generally need to create fresh initiatives to neutralize any other nuclear, biological and chemical agents of destruction. But we need to step up investment in such programs, as well. A second goal must be to bring democracy and economic development to regions that have known too little of both. We need sustainable development to lift people out of poverty and abject subsistence. After all, half the world lives on $2 dollars a day—or less!

15. The need to safeguard and, where necessary, to rebuild civil society—Last year I called for a concerted international effort to rebuild civil society in broken countries like Afghanistan. I repeat that call today. And I do so because dysfunctional countries are much more of a drain on global resources than those that operate efficiently. We must therefore heed the lessons of the past. The investment made in rebuilding Europe has been more than repaid. In hard currency. In the fruits of stability. And—together with the United States—in the development of the most powerful alliance of nations the world has seen. Only through this alliance will we be able to deal with problems that threaten mankind.

16. Problems that endanger the human race—One such diabolical problem is the spread of the HI Virus and AIDS. More than 45 million people worldwide are currently infected with the virus and face a painful, degrading death. In my beloved South Africa this involves 25 percent of the population! At DaimlerChrysler, combating the AIDS pandemic is a priority. It's a priority recognized by the Global Business Coalition on HIV/AIDS. In June this year, at a function in New York, they acknowledged our tremendous South African HIV/AIDS program. And when Kofi Annan handed me their much-coveted award—for Excellence in the Workplace—I was very proud indeed. At the same time I was appointed Chairman of the Global Business Coalition. I welcomed this assignment with a sense of humility—and urgency. For fighting this dread disease—and dealing with the other problems I have mentioned—represent the real challenges of humanity. It's therefore high time to stop playing in the shallow end of our global pool. We need to dive deep! But it is patently obvious that the partnership, between the U.S. and EU is pivotal to any prospect of real success. Together, we hold the key to the health and wealth of the global economy. And that, Ladies and Gentlemen, is an awesome responsibility.

17. Conclusion—We may, realistically, not be able to do everything. But over the past 50 years, Europe and the U.S. have changed the face of the planet. Very much for the better! As partners, I'd back us as winners all over again. Our common ground is solid and fertile. The challenges are irresistible. The need for unity is more essential than ever. The urgency that demands immediate engagement between us is white-hot. And the time for a solemn pledge of trust in one another is precisely right. I thank you.●

WALLY CONERLY DAY

● Mr. LOTT. Mr. President, I would like to take this opportunity to recognize and honor an outstanding citizen of Mississippi. On March 5, 2003, Governor Ronnie Musgrove signed a proclamation declaring March 19, 2003 to be

officially known as Wally Conerly Day in the State of Mississippi.

Dr. A. Wallace Conerly recently retired from the positions of Vice Chancellor for Health Affairs and Dean of the School of Medicine at the University of Mississippi Medical Center in Jackson.

I have worked closely with Dr. Conerly since he was appointed Dean of the School of Medicine, and I am both proud and grateful that Mississippians can claim Dr. Conerly as one of our own.

While I could spend hours going over Dr. Conerly's record of service and accomplishments in detail, I would like to take a few moments to touch on some of the highlights that are most impressive to me. Dr. Conerly has served as a faculty member of the University of Mississippi Medical Center for the past 30 years. He assumed an appointment as Assistant Vice Chancellor for Health Affairs in 1981 before being appointed as Vice Chancellor for Health Affairs and Dean of the School of Medicine in 1994.

As the chief executive officer of the State's only academic health sciences center, he leads an institution that employs more than 7200 people and has an annual budget of more than $610 million. He is also the chief architect of the Medical Center's ongoing expansion program, the largest in the history of Mississippi higher education. Phase I, completed in 1999 and totaling $211 million, included a new children's hospital, a new women and infant's hospital, a building for the School of Health-Related Professions, an addition to the School of Nursing, a student union, two parking garages and an imaging center. A second $124 million construction phase is currently underway and includes a critical care hospital, a new adult hospital, a classroom addition, a children's hospital addition, and an expansion to the Arthur C. Guyton Research Complex. It has been my honor to work with Dr. Conerly in support of this ambitious endeavor.

Dr. Conerly has served not only the medical community of Mississippi honorably, but also the United States Air Force. For his service, he was the recipient of the United States Air Force Flight Surgeon of the Year Award in 1962 and the United States Air Force Commendation Medal in 1963. He was honorably discharged in 1966 at the rank of major.

As you might imagine, Dr. Conerly is also active in the Jackson community. He has served on the Board of Directors of the American Red Cross, Mississippi Chapter, and the Capital Area United Way. He has been President of the Rotary Club of Jackson and Chairman of the Board of Governors of the University Club. In 2001 the Mississippi Division of the Multiple Sclerosis Society honored Dr. Conerly and the Medical Center with its 2001 Hope Award, an award given annually for outstanding community contributions. He also received Millsaps College's ''Alumnus of the Year'' award in 2002, and he and his wife were recognized as the 2002 People of Vision by Preserve Sight Mississippi.

As I am sure you can see, Dr. Conerly has distinguished himself both personally and professionally, and he has been a valued asset to Mississippi. His record of service is not only a testament to his professional skill, but also to the quality of his personal character. He is most deserving of having this day named in honor of him, and I felt it was appropriate that I share this brief record of his contributions to Mississippi with all of you here today.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO NATIONAL UNION FOR THE TOTAL INDEPENDENCE OF ANGOLA (UNITA) DECLARED IN EXECUTIVE ORDER 12865 OF SEPTEMBER 26, 1993—PM 25

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I am providing a 6-month report prepared by my Administration on the national emergency with respect to the National Union for the Total Independence of Angola (UNITA) that was declared in Executive Order 12865 of September 26, 1993.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 19, 2003.*

FIRST BIENNIAL FEDERAL OCEAN AND COASTAL ACTIVITIES REPORT—PM 26

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To The Congress of the United States:

In accordance with section 5 of the Oceans Act of 2000 (33 U.S.C. 857–19), I transmit herewith the first biennial Federal Ocean and Coastal Activities Report as prepared by my Administration.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 19, 2003.*

REPORT ON THE PARTICIPATION OF THE UNITED STATES IN THE UNITED NATIONS AND ITS AFFILIATED AGENCIES DURING CALENDAR YEAR 2001—PM 27

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations;

To The Congress of the United States:

I am pleased to transmit herewith a report prepared by my Administration on the participation of the United States in the United Nations and its affiliated agencies during the calendar year 2001. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress).

GEORGE W. BUSH.

THE WHITE HOUSE, *March 19, 2003.*

MESSAGE FROM THE HOUSE

At 2:53 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 145. An act to designate the Federal building located at 290 Broadway in New York, New York, as the ''Ted Weiss Federal Building''.

H.R. 868. An act to amend section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 to require that certain claims for expropriation by the Government of Nicaragua meet certain requirements for purposes of the prohibition on foreign assistance to that government.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 26. Concurrent resolution condemning the punishment of execution by stoning as a gross violation of human rights, and for other purposes.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 868. An act to amend section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 to require that certain claims for expropriation by the Government of Nicaragua meet certain requirements for purposes of the prohibition on foreign assistance to that government; to the Committee on Foreign Relations.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 26. Concurrent resolution condemning the punishment of execution by stoning as a gross violation of human rights,

and for other purposes; to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–1508. A communication from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting, pursuant to law, the report of a rule entitled ''Insurance of State Banks Chartered as Limited Liability Companies 12 CFR Part 303 (RIN3064–AC53)'' received on March 17, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–1644. A communication from the Deputy Assistant Administration, Regulatory Programs, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Final Rule to amend portions of the regulations governing the halibut fishery under the Western Alaska Community Development Quota (CDQ) Program (0648–AL97)'' received on March 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1645. A communication from the Deputy Assistant Administration, Regulatory Programs, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Final 2003 Harvest Specifications for the Groundfish Fisheries of the Bering Sea and Aleutian Islands Area'' received on March 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1646. A communication from the Deputy Assistant Administration, Regulatory Programs, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Final 2003 Harvest Specifications for the Groundfish Fisheries of the Gulf of Alaska'' received on March 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1647. A communication from the Acting Director, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closure of Directed Fishing for Species in the Rock Sole/Flathead Sole/other flatfish'' fishery category by vessels using trawl gear in the Bering Sea and Aleutian Islands management area (BSAI)'' received on March 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1648. A communication from the Deputy Assistant Administration, Regulatory Programs, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closure of the directed fishing groundfish with nonpelagic trawl gear in the red king crab saving subarea (RKCSS) of the Bering Sea and Aleutian Islands management area (BSAI)'' received on March 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1649. A communication from the Acting Director, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fishery Closure; Inseason prohibition of directed fishing for Pacific cod in the Western Regulatory Area of Gulf of Alaska (0679)'' received on March 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1650. A communication from the Acting Director, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Pacific Cod by Catcher Processors and Catcher Vessels 60 Feet Length Overall and Using Pot Gear in the Bering Sea and Aleutian Islands management area'' received on March 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1651. A communication from the Acting Director, National Marine Fisheries Service, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Reduce the Commercial Trip Limit for the Hook-and-Line Fishery for the Gulf Group King Mackerel in the Southern Florida West'' received on March 12, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1652. A communication from the Acting Assistant Administrator, Office of Oceanic and Atmospheric Research, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Notice of Open Meeting: The Science Advisory Board—March 18–19, 2003'' received on March 17, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1653. A communication from the Legal Advisor, International Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''In the Matter of Flexibility for Delivery of Communications by Mobile Satellite Service Providers in the 2 G Hz Band, the L–Band, and the 1.6/2.4 G Hz Bands; Review of the Spectrum of the Spectrum Sharing Plan Among Non-Geostationary Satellite Orbit Mobile Satellite Service Systems in the 1.6/2.4 G HZ (IB Doc. No. 01–185 & 02–364)'' received on March 12, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1654. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report relative to the activities and the progress made in protecting and restoring living marine resources and the habitat of the Chesapeake Bay; to the Committee on Commerce, Science, and Transportation.

EC–1655. A communication from the Director, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report relative to bluefin tuna for 2001–2002; to the Committee on Commerce, Science, and Transportation.

EC–1656. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report relative to the Feasibility of Accelerating the Intergrated Deepwater System, received on March 12, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1657. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report relative to grants authorized by the Anadromous Fish Conservation Act of 1965 describing funding to states and other entities for projects that support research on interjurisdictional and anadromous resources, received on March 12, 2003; to the Committee on Commerce, Science, and Transportation.

EC–1658. A communication from the President of the United States to the President Pro Tempore of the U.S. Senate, transmitting, pursuant to the Authorization for the Use of Military Force Against Iraq Resolution of 2002 (Public Law 107–243), the report relative to the determination that reliance on diplomatic and other peaceful means alone will neither protect the National Security of the United States nor likely lead to the enforcement of all relevant United Nations Security Council resolutions regarding Iraq and that the United States and other Countries continue to take the necessary actions against international terrorists and terrorist organizations, including those nations, organizations, or persons who planned, authorized, committed, or aided the terrorist attacks that occurred on September 11, 2001, received on March 19, 2003; to the Committee on Foreign Relations.

EC–1659. A communication from the President of the United States, transmitting, pursuant to law, a report relative to the aggregate number, locations, activities, and lengths of assignment for all temporary and permanent United States military personnel and United States individual civilians retained as contractors involved in Plan Columbia; to the Committee on Foreign Relations.

EC–1660. A communication from the Under Secretary of State, Arms Control and International Security, transmitting, pursuant to law, the 28th edition of World Military Expenditures and Arms Transfers (WHEAT), received on March 17, 2003; to the Committee on Foreign Relations.

EC–1661. A communication from the Director, Federal Emergency Management Agency, transmitting, pursuant to law, the report relative to funding under FEMA–3170 as a result of the loss of the Space Shuttle Columbia has exceeded $5,000,000, received March 17, 2003; to the Committee on Environment and Public Works.

EC–1662. A communication from the Director, Inland Waterways Users Board, transmitting, pursuant to law, the 2003 Annual Report, received on March 12, 2003; to the Committee on Environment and Public Works.

EC–1663. A communication from the Assistant Secretary, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of rule entitled ''Endangered and Threatened Wildlife and Plants; Final Designation of Critical Habitat for Two Larkspurs from Coastal Northern California (1018–AG96)'' received on March 13, 2003; to the Committee on Environment and Public Works.

EC–1664. A communication from the Assistant Secretary, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of rule entitled ''Endangered and Threatened Wildlife and Plants; Final Designation of Critical Habitat for Sidalcea Keckii (Keck's checkermallow) (1018–AG93)'' received on March 13, 2003; to the Committee on Environment and Public Works.

EC–1665. A communication from the Under Secretary of Defense, Comptroller, Department of Defense, transmitting, pursuant to law, the report relative to the Air Force pursuing (Air Force/Navy) multi-year procurement (MYP) for CC–130J and KC–130J aircraft for fiscal year FY 2003 through 2008.

EC–1666. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the Annual Forces Retirement Home (AFRH) for Fiscal Year 2001; to the Committee on Armed Services.

EC–1667. A communication from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Electronic Submission and Processing of Payment Requests (DFARS Case 2002–D001)'' received on March 17, 2003; to the Committee on Armed Services.

EC–1668. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report rule entitled ''Documentation of Immigrants Under the Immigration

and Nationality Act as Amended—Immediate Relative (22 CFR Part 42)'' received on March 12, 2003; to the Committee on the Judiciary.

EC–1669. A communication from the General Counsel, Department of Commerce, transmitting, pursuant to law, the report relative to a legislative proposal to restructure the patent fees and adjust trademark fees for the U.S. Patent and Trademark Office (USPTO); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 164. A bill to authorize the Secretary of the Interior to conduct a special resource study of sites associated with the life of Cesar Estrada Chavez and the farm labor movement (Rept. No. 108–20).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 212. A bill to authorize the Secretary of the Interior to cooperate with the High Plains States in conducting a hydrogeologic characterization, mapping, modeling and monitoring program for the High Plains Aquifer, and for other purposes (Rept. No. 108–21).

From the Committee on Energy and Natural Resources, without amendment:

S. 220. A bill to reinstate and extend the deadline for commencement of construction of a hydroelectric project in the State of Illinois (Rept. No. 108–22).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, without amendment:

S. 278. A bill to make certain adjustments to the boundaries of the Mount Naomi Wilderness Area, and for other purposes (Rept. No. 108–23).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 328. A bill to designate Catoctin Mountain Park in the State of Maryland as the ''Catoctin Mountain National Recreation Area'', and for other purposes (Rept. No. 108–24).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 347. A bill to direct the Secretary of the Interior and the Secretary of Agriculture to conduct a joint special resources study to evaluate the suitability and feasibility of establishing the Rim of the Valley Corridor as a unit of the Santa Monica Mountains National Recreation Area, and for other purposes (Rept. No. 108–25).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, without amendment:

S. 425. A bill to revise the boundary of the Wind Cave National Park in the State of South Dakota (Rept. No. 108–26).

H.R. 397. A bill to reinstate and extend the deadline for commencement of construction of a hydroelectric project in the State of Illinois (Rept. No. 108–27).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GREGG for the Committee on Health, Education, Labor, and Pensions.

*Kenneth M. Ford, of Florida, to be a Member of the National Science Board, National Science Foundation.

*Dario Fernandez-Morera, of Illinois, to be a Member of the National Council on the Humanities.

*Mary Costa, of Tennessee, to be a Member of the National Council on the Arts.

*Makoto Fujimura, of New York, to be a Member of the National Council on the Arts.

*Jerry Pinkney, of New York, to be a Member of the National Council on the Arts.

*Karen Lias Wolff, of Michigan, to be a Member of the National Council on the Arts.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. REED:

S. 656. A bill to provide for the adjustment of status of certain nationals of Liberia to that of lawful permanent residence; to the Committee on the Judiciary.

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

S. 657. A bill to amend title IV of the Social Security Act to provide grants to promote responsible fatherhood, to encourage teen pregnancy prevention strategies, and for other purposes; to the Committee on Finance.

By Mr. BINGAMAN (for himself and Mr. DORGAN):

S. 658. A bill to extend the authority for Energy Savings Performance Contracts and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG (for himself, Mr. BAUCUS, Mr. ALEXANDER, Mr. ALLARD, Mr. ALLEN, Mr. BENNETT, Mr. BOND, Mr. BREAUX, Mr. BROWNBACK, Mr. BUNNING, Mr. BURNS, Mr. CAMPBELL, Mr. CHAMBLISS, Mr. COCHRAN, Mr. COLEMAN, Ms. COLLINS, Mr. CORNYN, Mr. CRAPO, Mrs. DOLE, Mr. DOMENICI, Mr. DORGAN, Mr. ENSIGN, Mr. ENZI, Mr. FRIST, Mr. GRAHAM of South Carolina, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HATCH, Mrs. HUTCHISON, Mr. INHOFE, Mr. JOHNSON, Mr. KYL, Ms. LANDRIEU, Mrs. LINCOLN, Mr. LOTT, Mr. MCCONNELL, Mr. MILLER, Ms. MURKOWSKI, Mr. NELSON of Nebraska, Mr. NICKLES, Mr. REID, Mr. ROBERTS, Mr. SANTORUM, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH, Mr. SPECTER, Mr. STEVENS, Mr. SUNUNU, Mr. TALENT, and Mr. THOMAS):

S. 659. A bill to prohibit civil liability actions from being brought or continued against manufacturers, distributors, dealers, or importers of firearms or ammunition for damages resulting from the misuse of their products by others; to the Committee on the Judiciary.

By Mr. JOHNSON:

S. 660. A bill to extend limitations on certain provisions of State law under the Fair Credit Reporting Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SCHUMER (for himself, Mr. WARNER, Mr. SARBANES, Mr. KENNEDY, and Mrs. CLINTON):

S. 661. A bill to amend the Internal Revenue Code of 1986 to equalize the exclusion from gross income of parking and transportation fringe benefits and to provide for a common cost-of-living adjustment, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 662. A bill to extend to Nepal certain preferential treatment with respect to apparel articles; to the Committee on Finance.

By Mr. INOUYE:

S. 663. A bill for the relief of the Pottawatomi Nation in Canada for settlement of certain claims against the United States; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. GRASSLEY, Mr. ROCKEFELLER, Mr. SMITH, Mr. DASCHLE, Mr. KYL, Mrs. LINCOLN, Mr. THOMAS, Mr. KERRY, Mr. BUNNING, Mrs. FEINSTEIN, Mr. ALLEN, Mrs. BOXER, Mr. COCHRAN, Mr. LIEBERMAN, Mrs. HUTCHISON, Ms. STABENOW, Mr. ENSIGN, Mr. BAYH, Mr. ALLARD, Mr. MILLER, and Ms. CANTWELL):

S. 664. A bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, to increase the rates of the alternative incremental credit, and to provide an alternative simplified credit for qualified research expenses; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. ROBERTS, Mr. BROWNBACK, Mrs. LINCOLN, Mr. BURNS, Mr. CRAIG, Mr. CRAPO, Mr. FITZGERALD, Mr. JOHNSON, Mr. HAGEL, Mr. MILLER, Mr. DORGAN, and Mr. DASCHLE):

S. 665. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers and fisherman, and for other purposes; to the Committee on Finance.

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

S. 666. A bill to provide incentives to increase research by private sector entities to develop antivirals, antibiotics and other drugs, vaccines, microbicides, detection, and diagnostic technologies to prevent and treat illnesses associated with a biological, chemical, or radiological weapons attack; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. HAGEL, Mr. DORGAN, Mr. JOHNSON, and Mr. DASCHLE):

S. 667. A bill to amend the Food Security Act of 1985 to strengthen payment limitations for commodity payments and benefits; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. REED (for himself, Mr. DODD, Mr. KENNEDY, and Mrs. MURRAY):

S. 668. A bill to amend the Child Care and Development Block Grant Act of 1990 to provide incentive grants to improve the quality of child care; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE (for herself, Mr. KOHL, Mr. ROCKEFELLER, Mrs. LINCOLN, Ms. LANDRIEU, Mr. BREAUX, Mr. BAYH, Mr. JOHNSON, and Mr. LIEBERMAN):

S. 669. A bill to provide more child support money to families leaving welfare, to simplify the rules governing the assignment and distribution of child support collected by States on behalf of children, to improve the collection of child support, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CAMPBELL:

S. Con. Res. 24. A concurrent resolution concerning a joint meeting of Congress and

the culminating year of the commemoration of the 50th anniversary of the Korean War; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. GREGG, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 15, a bill to amend the Public Health Service Act to provide for the payment of compensation for certain individuals with injuries resulting from the administration of smallpox countermeasures, to provide protections and countermeasures against chemical, radiological, or nuclear agents that may be used in a terrorist attack against the United States, and to improve immunization rates by increasing the distribution of vaccines and improving and clarifying the vaccine injury compensation program.

S. 138

At the request of Mr. ROCKEFELLER, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 138, a bill to temporarily increase the Federal medical assistance percentage for the medicaid program.

S. 140

At the request of Mrs. FEINSTEIN, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 140, a bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

S. 202

At the request of Mr. DEWINE, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 202, a bill to amend the Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income that deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States, to allow employers a credit against income tax with respect to employees who participate in the military reserve components, and to allow a comparable credit for participating reserve component self-employed individuals, and for other purposes.

S. 215

At the request of Mrs. FEINSTEIN, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 215, a bill to authorize funding assistance for the States for the discharge of homeland security activities by the National Guard.

S. 300

At the request of Mr. MCCAIN, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 300, a bill to award a congressional gold medal to Jackie Robinson (posthumously), in recognition of his many contributions to the Nation, and to express the sense of Congress that there should be a national day in recognition of Jackie Robinson.

S. 349

At the request of Mrs. FEINSTEIN, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 349 , a bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

S. 363

At the request of Ms. MIKULSKI, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 363, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 371

At the request of Mr. DEWINE, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 371, a bill to amend the Public Health Service Act to ensure an adequate supply vaccines.

S. 380

At the request of Ms. COLLINS, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 380, a bill to amend chapter 83 of title 5, United States Code, to reform the funding of benefits under the Civil Service Retirement System for employees of the United States Postal Service, and for other purposes.

S. 437

At the request of Mr. KYL, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 437, a bill to provide for adjustments to the Central Arizona Project in Arizona, to authorize the Gila River Indian Community water rights settlement, to reauthorize and amend the Southern Arizona Water Rights Settlement Act of 1982, and for other purposes.

S. 448

At the request of Mr. DODD, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 448, a bill to leave no child behind.

S. 451

At the request of Mr. BUNNING, his name was added as a cosponsor of S. 451, a bill to amend title 10, United States Code, to increase the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, to provide for a one-year open season under that plan, and for other purposes.

S. 464

At the request of Mr. REID, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 464, a bill to amend the Internal Revenue Code of 1986 to modify and expand the credit for electricity produced from renewable resources and waste products, and for other purposes.

S. 480

At the request of Mr. HARKIN, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 480, a bill to provide competitive grants for training court reporters and closed captioners to meet requirements for realtime writers under the Telecommunications Act of 1996, and for other purposes.

S. 511

At the request of Mr. BINGAMAN, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 511, a bill to provide permanent funding for the Payment In Lieu of Taxes program, and for other purposes.

S. 530

At the request of Mr. KERRY, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 530, a bill to amend title 5, United States Code, to create a presumption that a disability or death of a Federal employee in fire protection activities caused by any of certain diseases is the result of the performance of such employee's duty.

S. 560

At the request of Mr. CRAIG, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 560, a bill to impose tariff-rate quotas on certain casein and milk protein concentrates.

S. 569

At the request of Mr. ENSIGN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 569, a bill to amend title XVIII of the Social Security Act to repeal the medicare outpatient rehabilitation therapy caps.

S. 582

At the request of Mr. BUNNING, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 582, a bill to authorize the Department of Energy to develop and implement an accelerated research and development program for advanced clean coal technologies for use in coal-based electricity generating facilities and to amend the Internal Revenue Code of 1986 to provide financial incentives to encourage the retrofitting, repowering, or replacement of coal-based electricity generating facilities to protect the environment and improve efficiency and encourage the early commercial application of advanced clean coal technologies, so as to allow coal to help meet the growing need of the United States for the generation of reliable and affordable electricity.

S. 623

At the request of Mr. WARNER, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 623, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

S. 640

At the request of Mr. LEAHY, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 640, a bill to amend subchapter III of chapter 83 and chapter 84 of title 5, United States Code, to include Federal prosecutors within the definition of a law enforcement officer, and for other purposes.

S. 650

At the request of Mr. DEWINE, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from Tennessee (Mr. FRIST) were added as cosponsors of S. 650, a bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the Food and Drug Administration to require certain research into drugs used in pediatric patients.

S.J. RES. 4

At the request of Mr. HATCH, the names of the Senator from Wyoming (Mr. THOMAS), the Senator from Arizona (Mr. KYL), the Senator from Nevada (Mr. REID), and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S.J. Res. 4, a joint resolution proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

S. CON. RES. 8

At the request of Ms. COLLINS, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. Con. Res. 8, a concurrent resolution designating the second week in may each year as ''National Visiting Nurse Association Week.''

S. RES. 44

At the request of Mr. GRAHAM of South Carolina, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. Res. 44, a resolution designating the week beginning February 2, 2003, as ''National School Counseling Week.''

S. RES. 52

At the request of Mr. CAMPBELL, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. Res. 52, a resolution recognizing the social problem of child abuse and neglect, and supporting efforts to enhance public awareness of the problem.

S. RES. 58

At the request of Mr. ALLEN, the names of the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Ohio (Mr. DEWINE) and the Senator from Georgia (Mr. MILLER) were added as cosponsors of S. Res. 58, a resolution expressing the sense of the Senate that the President should designate the week beginning June 1, 2003, as ''National Citizen Soldier Week.''

S. RES. 62

At the request of Mr. ENSIGN, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. Res. 62, a resolution calling upon the Organization of American States (OAS) Inter-American Commission on Human Rights, the United Nations High Commissioner for Human Rights, the European Union, and human rights activists throughout the world to take certain actions in regard to the human rights situation in Cuba.

AMENDMENT NO. 272

At the request of Mrs. BOXER, the names of the Senator from New Jersey (Mr. CORZINE) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of amendment No. 272 proposed to S. Con. Res. 23, an original concurrent resolution setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013.

AMENDMENT NO. 274

At the request of Mr. CRAIG, his name was added as a cosponsor of amendment No. 274 proposed to S. Con. Res. 23, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013.

AMENDMENT NO. 274

At the request of Mr. HOLLINGS, his name was added as a cosponsor of amendment No. 274 proposed to S. Con. Res. 23, supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—Tuesday, March 18, 2003

By Mr. KENNEDY:

S. 647. A bill to amend title 10, United States Code, to provide for Department of Defense funding of continuation of health benefits plan coverage for certain Reserves called or ordered to active duty and their dependents, and for other purposes.

Mr. KENNEDY. Mr. President, today I am introducing a bill to close an unfortunate loophole in health insurance coverage for families of reserve and guard members who are called up for active duty.

As we face the likelihood of war with Iraq, one hundred and fifty thousand members of the National Guard and the Reserves have been mobilized for service. These soldiers, sailors, marines, and airmen are standing by their country in a time of national emergency. But unless the Congress takes immediate action, too many of the spouses and children of these brave men and women may find the quality of their health care reduced.

Today's military relies more heavily than ever before on the reserve and guard. Currently, over 150,000 National Guard and reserve soldiers, sailors, Marines and airmen have been mobilized. They are spending an average of thirteen times longer on active duty today than compared to a decade ago.

Our men and women in uniform are working and training hard for the serious challenges before them. They are living in the desert, enduring harsh conditions, and contemplating the horrors of the approaching war. At the same time, they must put their lives on hold, dealing with family crises by phone and email. We must do our best to take care of those they have left at home.

During the Vietnam War, only 20 percent of all Army personnel were married. Today over 50 percent of the active military are married. These numbers are even higher in the guard and reserves. This service places heavy strain on the families who are left behind to worry and cope with the sudden new demands of running a household alone.

For the guard and reservists' families, a recall to active duty brings new bureaucratic challenges. Employers are not required to keep paying the health insurance for reservists while they are deployed. Many guardsmen and reservists may not be able to afford to pay for health care for their families while they are away.

If a guardsman or reservist is activated for more than thirty days, their family is eligible to enroll in the TRICARE program. However, during that first month, the family may not have any health insurance. In addition, if their family doctor does not participate in TRICARE, the family must find a new doctor while coping with all the other demands of the service member's absence. A family with a sick child and a father or mother sent off to war should not have to cope with the added burden of giving up the family doctor they trust.

The bill I am introducing will assure continuity of health insurance coverage for families of reservists and National Guard personnel called to active duty. Under this bill, these families retain the option of private health insurance coverage during the period of active duty, rather than enrolling in TRICARE.

The bill amends the COBRA coverage rules to specify that loss of employment-based coverage due to active-duty allows them to use the COBRA mechanism to retain their health care coverage. The Federal Government will pay the cost of premiums not covered by employers. This assistance will relieve some of the financial burden on families when the service member leaves a more lucrative private sector job to serve in the military. The Federal Government will also pay the cost of continuing family coverage purchased in the individual insurance market, for those who do not have employment-based coverage.

The cost of this modest additional help for the families of our servicemen will be small, since spouses and children who continue to use their private insurance policies will not be using TRICARE medical services that would otherwise be the government's responsibility.

This bill will not change the health care coverage for service members who will continue to receive health care

through the military medical system. Nor will it change the health care coverage for active duty family members who retain TRICARE eligibility and receive health care either through the direct care system or TRICARE network.

When reservists and members of the National Guard are called to active duty in time of international crisis, they are asked to put their lives on the line for their country. The least we can do for them is assure that their families can continue to receive quality health care without interruption during their absence.

I urge my colleagues to move promptly to enact this legislation.

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. 647

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

SECTION 1. DEPARTMENT OF DEFENSE PAYMENT FOR CONTINUATION OF NON-TRICARE HEALTH BENEFITS COVERAGE FOR CERTAIN MOBILIZED RESERVES.

(a) PAYMENT OF PREMIUMS.—

(1) REQUIREMENT TO PAY PREMIUMS.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1078a the following new section:

"§ 1078b. Continuation of non-TRICARE health benefits plan coverage for certain Reserves called or ordered to active duty and their dependents

''(a) PAYMENT OF PREMIUMS.—The Secretary concerned shall pay the applicable premium to continue in force any qualified health benefits plan coverage for an eligible reserve component member for the benefits coverage continuation period if timely elected by the member in accordance with regulations prescribed under subsection (h).

''(b) ELIGIBLE MEMBER.—A member of a reserve component who is called or ordered to active duty for a period of more than 30 days under a provision of law referred to in section 101(a)(13)(B) of this title is eligible for payment of the applicable premium for continuation of qualified health benefits plan coverage under subsection (a).

''(c) QUALIFIED HEALTH BENEFITS PLAN COVERAGE.—For the purposes of this section, health benefits plan coverage for a member called or ordered to active duty is qualified health benefits plan coverage if—

''(1) the coverage was in force on the date on which the Secretary notified the member that issuance of the call or order was pending or, if no such notification was provided, the date of the call or order; and

''(2) on that date, the coverage applied to the member and dependents of the member.

''(d) APPLICABLE PREMIUM.—The applicable premium payable under this section for continuation of health benefits plan coverage in the case of a member is the amount of the premium payable by the member for the coverage of the member and dependents.

''(e) BENEFITS COVERAGE CONTINUATION PERIOD.—The benefits coverage continuation period under this section for qualified health benefits plan coverage in the case of a member called or ordered to active duty is the period that—

''(1) begins on the date of the call or order; and

''(2) ends on the earlier of the date on which—

''(A) the member's eligibility for transitional health care under section 1145(a) of this title terminates under paragraph (3) of such section;

''(B) the member or the dependents of the member eligible for benefits under the qualified health benefits plan coverage become covered by another health benefits plan that is not TRICARE; or

''(C) the member elects to terminate the continued qualified health benefits plan coverage of the dependents of the member.

''(f) EXTENSION OF PERIOD OF COBRA COVERAGE.—Notwithstanding any other provision of law—

''(1) any period of coverage under a COBRA continuation provision (as defined in section 9832(d)(1) of the Internal Revenue Code of 1986) for a member under this section shall be deemed to be equal to the benefits coverage continuation period for such member under this section; and

''(2) with respect to the election of any period of coverage under a COBRA continuation provision (as so defined), rules similar to the rules under section 4980B(f)(5)(C) of such Code shall apply.

''(g) SPECIAL RULE WITH RESPECT TO INDIVIDUAL HEALTH INSURANCE COVERAGE.—With respect to a member of a reserve component described in subsection (b) who was enrolled in individual health insurance coverage (as such term is defined in section 2791(b)(5) of the Public Health Service Act) on the date on which the member was called or ordered to active duty, the health insurance issuer may not—

''(1) decline to offer such coverage to, or deny re-enrollment of, such individual during the benefits coverage continuation period described in subsection (e);

''(2) impose any preexisting condition exclusion (as defined in section 2701(b)(1)(A) of the Public Health Service Act) with respect to the re-enrollment of such member for such coverage during such period; or

''(3) increase the premium rate for re-enrollment of such member under such coverage during such period above the rate that was paid for the coverage prior to the date of such call or order.

''(h) NONDUPLICATION OF BENEFITS.—A dependent of a member who is eligible for benefits under qualified health benefits plan coverage paid on behalf of a member by the Secretary concerned under this section is not eligible for benefits under TRICARE during a period of the coverage for which so paid.

''(i) REVOCABILITY OF ELECTION.—A member who makes an election under subsection (a) may revoke the election. Upon such a revocation, the member's dependents shall become eligible for TRICARE as provided for under this chapter.

''(j) REGULATIONS.—The Secretary of Defense shall prescribe regulations for carrying out this section. The regulations shall include such requirements for making an election of payment of applicable premiums as the Secretary considers appropriate.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1078a the following new item:

''1078b. Continuation of non-TRICARE health benefits plan coverage for certain Reserves called or ordered to active duty and their dependents.''.

(b) APPLICABILITY.—Section 1078b of title 10, United States Code (as added by subsection (a)), shall apply with respect to calls or orders of members of reserve components of the Armed Forces to active duty as described in subsection (b) of such section, that are issued by the Secretary of a military department on or after the date of the enactment of this Act.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN (for himself and Mr. DORGAN).

S. 658. A bill to extend the authority for Energy Savings Performance Contracts and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, I rise today to introduce legislation that will ensure the continuation of a program that has provided a flexible and cost-effective way to reduce the Federal Government's energy bills.

Since the 1970's Federal Government agencies have been required by law or Executive Order to steadily improve the energy efficiency of Federal buildings. For example, the Energy Policy Act of 1992 set a goal of reducing energy use per square foot by 20 percent in FY 2000 compared to FY 1985. Preliminary data from the Department of Energy indicates that agencies exceeded this goal by 2.7 percent and spent $2.3 billion less for energy in FY 2000 than in FY 1985.

One of the reasons the Federal Government was successful was the availability of an innovative financing method for energy efficiency improvements. In the 1992 Energy Policy Act, Congress created Energy Savings Performance Contracting ESPC, which offered a way to invest in energy savings improvements at no capital cost to the government by leveraging private sector capital.

Under the ESPC authority, private sector companies enter into contracts with Federal agencies to install energy savings equipment and make operational or maintenance changes to improve building efficiency. The companies pay the up-front costs of the energy efficiency improvements and guarantee the agency a fixed amount of cost savings through the life of the contract. The energy service company recoups its investment over time from the energy cost savings. Since 1992, nearly $1.1 billion in private sector capital has been invested in Federal energy improvement projects under ESPCs resulting in hundreds of millions of dollars in permanent savings to the US taxpayer.

Unfortunately the authority for this successful program expires at the end of September 2003. Congress must act quickly to continue ESPC authority.

Our legislation would extend the authority for the ESPC program permanently. The bill also makes several changes designed to improve and expand the program. It adds ''water cost savings'' as an allowable measure for Energy Savings Performance Contracting for civilian agencies, as they have been for Department of Defense facilities for several years.

The legislation also addresses the problem of improving energy efficiency in a building that has long since passed its useful life and is in constant need of maintenance and repair. To prevent this waste of funds, the legislation

would allow Energy Savings Performance Contracting to include the savings anticipated from operation and maintenance efficiencies of a replacement facility. The Department of Energy conducted a feasibility study for replacing a complex of 50 year old army barracks in my State—now used as DOE's Albuquerque operations office. The study demonstrated that the costs savings created by energy, operations and maintenance efficiencies of a new replacement building can pay for the new facility.

These provisions were agreed to last fall by the House and Senate conference committee on the Energy Policy Act of 2002. They are good policy for energy efficiency and for the Federal taxpayer.

In addition, our bill would authorize a pilot program to determine whether the ESPC concept can be applied to non-building projects. About 60 percent of the Federal Government's energy consumption occurs in government vehicles, cars, trucks, ships and air craft. Another 7 percent occurs in energy intensive operations such as irrigation, manufacturing and research activities. Increased efficiency for these activities could yield tremendous savings. This program was discussed favorably at the Energy Committee's March 11 hearing on energy efficiency.

I look forward to working with my cosponsor Senator DORGAN, and other interested Senators to enact this legislation as soon as possible.

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. 658

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Energy Savings Performance Contracts Amendments Act of 2003''.

SEC. 2. PERMANENT EXTENSION.

Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is repealed.

SEC. 3. COST SAVINGS FROM REPLACEMENT FACILITIES.

Section 801(a) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)) is amended by adding at the end the following new paragraph:

''(3)(A) In the case of an energy savings contract or energy savings performance contract providing for energy savings through the construction and operation of one or more buildings or facilities to replace one or more existing buildings or facilities, benefits ancillary to the purpose of such contract under paragraph (1) may include savings resulting from reduced costs of operation and maintenance at such replacement buildings or facilities when compared with costs of operation and maintenance at the buildings or facilities being replaced.

''(B) Notwithstanding paragraph (2)(B), aggregate annual payments by an agency under an energy savings contract or energy savings performance contract referred to in subparagraph (A) may take into account (through the procedures developed pursuant to this section) savings resulting from reduced costs of operation and maintenance as described in subparagraph (A).''.

SEC. 4. ENERGY SAVINGS.

Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended to read as follows:

''(2) The term 'energy savings' means—

''(A) a reduction in the cost of energy or water, from a base cost established through a methodology set forth in the contract, used in an existing federally owned building or buildings or other federally owned facilities as a result of—

''(i) the lease or purchase of operating equipment, improvements, altered operation and maintenance, or technical services;

''(ii) the increased efficient use of existing energy sources by cogeneration or heat recovery, excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities; or

''(iii) the increased efficient use of existing water sources; or

''(B) in the case of a replacement building or facility described in section 801(a)(3), a reduction in the cost of energy, from a base cost established through a methodology set forth in the contract, that would otherwise be utilized in one or more existing federally owned buildings or other federally owned buildings by reason of the construction and operation of the replacement building or facility.''.

SEC. 5. ENERGY SAVINGS CONTRACT.

Section 804(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(3)) is amended to read as follows:

''(3) The terms 'energy savings contract' and 'energy savings performance contract' means a contract which provides for—

''(A) the performance of services for the design, acquisition, installation, testing, operation, and, where appropriate, maintenance and repair, of an identified energy or water conservation measure or series of measures at one or more locations; or

''(B) energy savings through the construction and operation of one or more buildings or facilities to replace one or more existing buildings or facilities.''.

SEC. 6. ENERGY OR WATER CONSERVATION MEASURE.

Section 804(4) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(4)) is amended to read as follows:

''(4) The term 'energy or water conservation measure' means—

''(A) an energy conservation measure, as defined in section 551(4)(42 U.S.C. 8259(4)); or

''(B) a water conservation measure that improves water efficiency, is life cycle cost effective, and involves water conservation, water recycling or reuse, improvements in operation or maintenance efficiencies, retrofit activities or other related activities, not at a Federal hydroelectric facility.''.

SEC. 7. REVIEW.

Within 180 days after the date of the enactment of this Act, the secretary of Energy shall complete a review of the Energy Savings Performance Contract program to identify statutory, regulation, and administration obstacles that prevent Federal agencies from fully utilizing the program. In addition, this review shall identify all areas for increasing program flexibility and effectiveness, including audit and measurement verification requirements, accounting for energy use in determining savings, contracting requirements, and energy efficient services covered. The Secretary shall report these findings to the Committee on Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and shall implement identified administrative and regulatory changes to increase program flexibility and effectiveness to the extent that such changes are consistent with statutory authority.

SEC. 8. PILOT PROGRAM TO EXPAND ENERGY SAVINGS PERFORMANCE CONTRACTS TO NON-BUILDING PROJECTS.

Title VIII of the National Energy Conservation Policy Act (42 U.S.C. 8287–8287c) is amended by adding at the end the following:

''SEC. 805. PILOT PROGRAM FOR ENERGY SAVINGS PERFORMANCE CONTRACT INVESTMENTS IN NON-BUILDING ENERGY SAVINGS PROJECTS.

''(a) AUTHORIZATION.—The Secretary of Defense and the heads of other interested Federal agencies are authorized, on a pilot basis, to enter into up to ten energy savings performance contracts under this Title for the purpose of achieving savings, secondary savings, and benefits incidental to those purpose, in non-building energy efficiency improvement projects.

''(b) SELECTION OF PROJECTS.—The Secretary of Energy, in consultation with the Secretary of Defense and the heads of other interested Federal agencies, shall select up to ten contract projects for this pilot program. The projects shall be selected to demonstrate the applicability and benefit of energy savings performance contracting to a range of non-building energy efficiency improvement projects.

''(c) DEFINITIONS.—For the purposes of this section:

''(1) The term 'non-building' means any vehicle, device, or equipment that is transportable under its own power by land, sea, or air and consumes energy from any fuel source for the purpose of such transportability, or to maintain a controlled environment within such vehicle, device or equipment; or any Federally owned equipment used to generate electricity or transport water.

''(2) The term 'secondary savings', means additional energy or cost savings that are a direct consequence of the energy savings that result from the energy efficiency improvements that were financed and implemented pursuant to the energy savings performance contract. Such 'secondary savings' may include, but are not limited to, energy and cost savings that result from a reduction in the need for fuel delivery and logistical support. In the case of electric generation equipment, secondary savings may include the benefits of increased efficiency in the production of electricity.

''(d) REPORT.—No later than three years after the enactment of this section, the Secretary of Energy shall report to the Congress on the progress and results of this program. Such report shall include: a description of all projects undertaken; the energy and cost savings, secondary savings, other benefits and problems resulting from such projects; and the overall cost-benefit of such projects. The report shall also include recommendations, developed in consultation with those agencies that undertook projects under the program, as to whether the authorization to enter into energy savings performance contract for non-building projects should be extended, expanded, or otherwise modified.''

SEC. 9. UTILITY INCENTIVE PROGRAMS.

Section 546(c)(3) of the National Energy Conservation Policy Act (42 U.S.C. 8256(c)(3)) is amended by striking ''facilities'' and inserting ''facilities, equipment and vehicles''.

By Mr. CRAIG (for himself, Mr. BAUCUS, Mr. ALEXANDER, Mr. ALLARD, Mr. ALLEN, Mr. BENNETT, Mr. BOND, Mr. BREAUX,

Mr. BROWNBACK, Mr. BUNNING, Mr. BURNS, Mr. CAMPBELL, Mr. CHAMBLISS, Mr. COCHRAN, Mr. COLEMAN, Ms. COLLINS, Mr. CORNYN, Mr. CRAPO, Mrs. DOLE, Mr. DOMENICI, Mr. DORGAN, Mr. ENSIGN, Mr. ENZI, Mr. FRIST, Mr. GRAHAM of South Carolina, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HATCH, Mrs. HUTCHISON, Mr. INHOFE, Mr. JOHNSON, Mr. KYL, Ms. LANDRIEU, Mrs. LINCOLN, Mr. LOTT, Mr. MCCONNELL, Mr. MILLER, Ms. MURKOWSKI, Mr. NELSON of Nebraska, Mr. NICKLES, Mr. REID, Mr. ROBERTS, Mr. SANTORUM, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH, Mr. SPECTER, Mr. STEVENS, Mr. SUNUNU, Mr. TALENT, and Mr. THOMAS):

S. 659. A bill to prohibit civil liability actions from being brought or continued against manufacturers, distributors, dealers, or importers of firearms or ammunition for damages resulting from the misuse of their products by others; to the Committee on the Judiciary.

Mr. CRAIG. Mr. President, I am pleased to join with Senator BAUCUS in introducing the Protection of Lawful Commerce in Arms Act, on behalf of ourselves and more than half of our colleagues in the United States Senate: Senators ALEXANDER, ALLARD, ALLEN, BENNETT, BOND, BREAUX, BROWNBACK, BUNNING, BURNS, CAMPBELL, CHAMBLISS, COCHRAN, COLEMAN, COLLINS, CORNYN, CRAPO, DOLE, DOMENICI, DORGAN, ENSIGN, ENZI, FRIST, GRAHAM of South Carolina, GRASSLEY, GREGG, HAGEL, HATCH, HUTCHISON, INHOFE, JOHNSON, KYL, LANDRIEU, LINCOLN, LOTT, MCCONNELL, MILLER, MURKOWSKI, NELSON of Nebraska, NICKLES, REID, ROBERTS, SANTORUM, SESSIONS, SHELBY, SMITH, SPECTER, STEVENS, SUNUNU, TALENT, and THOMAS.

This is an extraordinary showing of support for a bill, and I believe it is a testament to the gravity of the threat addressed by the legislation: the abuse of our courts through lawsuits filed to force law-abiding businesses to pay for criminal acts by individuals beyond their control.

The businesses I am talking about are collectively known as the U.S. firearms industry. The lawsuits in question claim that even though these businesses comply with all laws and sell a legitimate product, they should be responsible for the misuse or illegal use of the firearm by a criminal. These actions are pursued with the intent of driving this industry out of business, regardless of the thousands of jobs that would be lost in the process and the impact on citizens across the Nation who would never contemplate committing a crime with a gun.

Let me be clear about this. These lawsuits are not brought by individuals seeking relief for injuries done to them by anyone in the industry. Instead, this is a politically-inspired initiative trying to force social goals through an end-run around the Congress and state legislatures.

The theory on which these lawsuits are based would be laughable, if it weren't so dangerous: to pin the responsibility for a criminal act on an innocent party who wasn't there and had nothing to do with it. They argue that merely by virtue of the fact that a gun was present, those who were part of the commercial distribution chain should be held responsible for the gun's misuse.

This isn't a legal theory—it's just the latest twist in the gun controllers' notion that it's the gun, and not the criminal, that causes crime.

The truth of the matter is that there are millions of firearms in this country today, yet only a tiny fraction of them have ever been used in the commission of a crime. The truth of the matter is that again and again, law-abiding firearm owners are using their guns, often without even firing a shot, to defend life and property. The truth of the matter is that the intent of the user, not the gun, is what determines whether that gun will be used in a crime. The trend of abusive litigation targeting the firearms industry not only defies common sense and concepts of fundamental fairness, but it would do nothing to curb criminal gun violence. Furthermore, the burdens it seeks to impose would jeopardize Americans' constitutionally-protected access to firearms for self defense and other lawful uses.

The bill that more than half of the United States Senate has already endorsed is a measured response that would put a stop to this abusive trend without endangering legitimate claims for relief. Let me emphasize that it does not insulate the firearms industry from all lawsuits or deprive legitimate victims of their day in court, as some critics have charged. Indeed, it specifically provides that actions based on the wrongful conduct of those involved in the business of manufacturing and selling firearms—breaches of contract, defects in firearms, negligent entrustment, criminal behavior—would not be affected by this legislation. It is solely directed at stopping frivolous, politically-driven litigation against law-abiding individuals for the misbehavior of criminals over whom they had no control.

The courts of our Nation are supposed to be forums for resolving controversies between citizens and providing relief where warranted, not a mechanism for achieving political ends that are rejected by the people's representatives in Congress and the state legislatures. I hope all our colleagues will join us in taking a measured, principled stand against this abusive litigation by supporting the Protection of Lawful Commerce In Arms Act.

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. 659

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 ''Protection of Lawful Commerce in Arms Act''.

SEC. 2. FINDINGS; PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) Citizens have a right, protected by the Second Amendment to the United States Constitution, to keep and bear arms.

(2) Lawsuits have been commenced against manufacturers, distributors, dealers, and importers of firearms that operate as designed and intended, which seek money damages and other relief for the harm caused by the misuse of firearms by third parties, including criminals.

(3) The manufacture, importation, possession, sale, and use of firearms and ammunition in the United States are heavily regulated by Federal, State, and local laws. Such Federal laws include the Gun Control Act of 1968, the National Firearms Act, and the Arms Export Control Act.

(4) Businesses in the United States that are engaged in interstate and foreign commerce through the lawful design, manufacture, marketing, distribution, importation, or sale to the public of firearms or ammunition that has been shipped or transported in interstate or foreign commerce are not, and should not, be liable for the harm caused by those who criminally or unlawfully misuse firearm products or ammunition products that function as designed and intended.

(5) The possibility of imposing liability on an entire industry for harm that is solely caused by others is an abuse of the legal system, erodes public confidence in our Nation's laws, threatens the diminution of a basic constitutional right and civil liberty, invites the disassembly and destabilization of other industries and economic sectors lawfully competing in the free enterprise system of the United States, and constitutes an unreasonable burden on interstate and foreign commerce of the United States.

(6) The liability actions commenced or contemplated by the Federal Government, States, municipalities, and private interest groups are based on theories without foundation in hundreds of years of the common law and jurisprudence of the United States and do not represent a bona fide expansion of the common law. The possible sustaining of these actions by a maverick judicial officer or petit jury would expand civil liability in a manner never contemplated by the framers of the Constitution, by Congress, or by the legislatures of the several States. Such an expansion of liability would constitute a deprivation of the rights, privileges, and immunities guaranteed to a citizen of the United States under the Fourteenth Amendment to the United States Constitution.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To prohibit causes of action against manufacturers, distributors, dealers, and importers of firearms or ammunition products for the harm caused by the criminal or unlawful misuse of firearm products or ammunition products by others when the product functioned as designed and intended.

(2) To preserve a citizen's access to a supply of firearms and ammunition for all lawful purposes, including hunting, self-defense, collecting, and competitive or recreational shooting.

(3) To guarantee a citizen's rights, privileges, and immunities, as applied to the States, under the Fourteenth Amendment to the United States Constitution, pursuant to section 5 of that Amendment.

(4) To prevent the use of such lawsuits to impose unreasonable burdens on interstate and foreign commerce.

(5) To protect the right, under the First Amendment to the Constitution, of manufacturers, distributors, dealers, and importers of firearms or ammunition products, and trade associations, to speak freely, to assemble peaceably, and to petition the Government for a redress of their grievances.

SEC. 3. PROHIBITION ON BRINGING OF QUALIFIED CIVIL LIABILITY ACTIONS IN FEDERAL OR STATE COURT.

(a) IN GENERAL.—A qualified civil liability action may not be brought in any Federal or State court.

(b) DISMISSAL OF PENDING ACTIONS.—A qualified civil liability action that is pending on the date of enactment of this Act shall be immediately dismissed by the court in which the action was brought.

SEC. 4. DEFINITIONS.

In this Act, the following definitions shall apply:

(1) ENGAGED IN THE BUSINESS.—The term ''engaged in the business'' has the meaning given that term in section 921(a)(21) of title 18, United States Code, and, as applied to a seller of ammunition, means a person who devotes, time, attention, and labor to the sale of ammunition as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of ammunition.

(2) MANUFACTURER.—The term ''manufacturer'' means, with respect to a qualified product, a person who is engaged in the business of manufacturing the product in interstate or foreign commerce and who is licensed to engage in business as such a manufacturer under chapter 44 of title 18, United States Code.

(3) PERSON.—The term ''person'' means any individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity, including any governmental entity.

(4) QUALIFIED PRODUCT.—The term ''qualified product'' means a firearm (as defined in subparagraph (A) or (B) of section 921(a)(3) of title 18, United States Code), including any antique firearm (as defined in section 921(a)(16) of such title), or ammunition (as defined in section 921(a)(17) of such title), or a component part of a firearm or ammunition, that has been shipped or transported in interstate or foreign commerce.

(5) QUALIFIED CIVIL LIABILITY ACTION.—

(A) IN GENERAL.—The term ''qualified civil liability action'' means a civil action brought by any person against a manufacturer or seller of a qualified product, or a trade association, for damages resulting from the criminal or unlawful misuse of a qualified product by the person or a third party, but shall not include—

(i) an action brought against a transferor convicted under section 924(h) of title 18, United States Code, or a comparable or identical State felony law, by a party directly harmed by the conduct of which the transferee is so convicted;

(ii) an action brought against a seller for negligent entrustment or negligence per se;

(iii) an action in which a manufacturer or seller of a qualified product knowingly and willfully violated a State or Federal statute applicable to the sale or marketing of the product, and the violation was a proximate cause of the harm for which relief is sought;

(iv) an action for breach of contract or warranty in connection with the purchase of the product; or

(v) an action for physical injuries or property damage resulting directly from a defect in design or manufacture of the product, when used as intended.

(B) NEGLIGENT ENTRUSTMENT.—In subparagraph (A)(ii), the term ''negligent entrustment'' means the supplying of a qualified product by a seller for use by another person when the seller knows, or should know, the person to whom the product is supplied is likely to, and does, use the product in a manner involving unreasonable risk of physical injury to the person and others.

(6) SELLER.—The term ''seller'' means, with respect to a qualified product—

(A) an importer (as defined in section 921(a)(9) of title 18, United States Code) who is engaged in the business as such an importer in interstate or foreign commerce and who is licensed to engage in business as such an importer under chapter 44 of title 18, United States Code;

(B) a dealer (as defined in section 921(a)(11) of title 18, United States Code) who is engaged in the business as such a dealer in interstate or foreign commerce and who is licensed to engage in business as such a dealer under chapter 44 of title 18, United States Code; or

(C) a person engaged in the business of selling ammunition (as defined in section 921(a)(17) of title 18, United States Code) in interstate or foreign commerce at the wholesale or retail level, consistent with Federal, State, and local law.

(7) STATE.—The term ''State'' includes each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States, and any political subdivision of any such place.

(8) TRADE ASSOCIATION.—The term ''trade association'' means any association or business organization (whether or not incorporated under Federal or State law) that is not operated for profit, and 2 or more members of which are manufacturers or sellers of a qualified product.

By Mr. SCHUMER (for himself, Mr. WARNER, Mr. SARBANES, Mr. KENNEDY, and Mrs. CLINTON):

S. 661. A bill to amend the Internal Revenue Code of 1986 to equalize the exclusion from gross income of parking and transportation fringe benefits and to provide for a common cost-of-living adjustment, and for other purposes; to the Committee on Finance.

Mr. SCHUMER. 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. 661

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 ''Commuter Benefits Equity Act of 2003''.

SEC. 2. UNIFORM DOLLAR LIMITATION FOR ALL TYPES OF TRANSPORTATION FRINGE BENEFITS.

(a) IN GENERAL.—Section 132(f)(2) of the Internal Revenue Code of 1986 (relating to limitation on exclusion) is amended—

(1) by striking ''$100'' in subparagraph (A) and inserting ''$190'', and

(2) by striking ''$175'' in subparagraph (B) and inserting ''$190''.

(b) INFLATION ADJUSTMENT CONFORMING AMENDMENTS.—Subparagraph (A) of section 132(f)(6) of the Internal Revenue Code of 1986 (relating to inflation adjustment) is amended—

(1) by striking the last sentence,

(2) by striking ''1999'' and inserting ''2003'', and

(3) by striking ''1998'' and inserting ''2002''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 3. CLARIFICATION OF FEDERAL EMPLOYEE BENEFITS.

Section 7905 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C) by inserting ''and'' after the semicolon;

(B) in paragraph (3) by striking ''; and'' and inserting a period; and

(C) by striking paragraph (4); and

(2) in subsection (b)(2)(A) by amending subparagraph (A) to read as follows:

''(A) a qualified transportation fringe as defined in section 132(f)(1) of the Internal Revenue Code of 1986;''.

Mr. SARBANES. Mr. President, I am pleased to join with my colleagues in introducing the Commuter Benefits Equity Act of 2003. This measure is another important step forward in our efforts to make transit services more accessible and improve the quality of life for commuters throughout the Nation.

All across the Nation, congestion and gridlock are taking their toll in terms of economic loss, environmental impacts, and personal frustration. According to the Texas Transportation Institute, in 2000, Americans in 75 urban areas spent 3.6 billion hours stuck in traffic, with an estimated cost to the Nation of $67.5 billion in lost time and wasted fuel, and the problem is growing. One way in which Federal, State, and local governments are responding to this problem is by promoting greater use of transit as a commuting option. The American Public Transportation Association estimates that last year, Americans took over 9.5 billion trips on transit, the highest level in more than 40 years. But we need to do more to encourage people to get out of their cars and onto public transportation.

The Internal Revenue Code currently allows employers to provide a tax-free transit benefit to their employees. Under this ''Commuter Choice'' program, employers can set aside up to $100 per month of an employee's pretax income to pay for the cost of commuting by public transportation or vanpool. Alternatively, an employer can choose to offer the same amount as a tax-free benefit in addition to an employee's salary. This program is designed to encourage Americans to leave their cars behind when commuting to work.

By all accounts, this program is working. In the Washington area, for example, the Washington Metropolitan Area Transit Authority estimates that over 200,000 commuters take advantage of transit pass programs offered by their employers. That means fewer cars on our congested streets and highways.

Employees of the federal government account for a large percentage of those benefitting from this program in the

Washington area. Under an Executive Order, all Federal agencies in the National Capital Region, which includes Montgomery, Prince George's, and Frederick Counties, Maryland, as well as several counties in Northern Virginia, are required to offer this transit benefit to their employees. The Commuter Choice program is now being used by an estimated 130,000 Washington-area Federal employees who are choosing to take transit to work.

However, despite the success of the Commuter Choice program, our tax laws still reflect a bias toward driving. The Internal Revenue Code allows employers to offer a tax-free parking benefit to their employees of up to $190 per month. The striking disparity between the amount allowed for parking—$190 per month—and the amount allowed for transit—$100 per month—undermines our commitment to supporting public transportation use.

The Commuter Benefits Equity Act would address this discrepancy by raising the maximum monthly transit benefit to $190, equal to the parking benefit, and providing that the benefits will be adjusted upward together in future years. The Federal Government should not reward those who drive to work more richly than those who take public transportation. Indeed, since the passage of the Intermodal Surface Transportation Efficiency Act of 1991, Federal transportation policy has endeavored to create a level playing field between highways and transit, favoring neither mode above the other. The Commuter Benefits Equity Act would ensure that our tax laws reflect this balanced approach.

In addition, the Commuter Benefits Equity Act would remedy another inconsistency in current law. Private-sector employers can offer their employees the transit benefit in tandem with the parking benefit, to help employees pay for the costs of parking at transit facilities, commuter rail stations, or other locations which serve public transportation or vanpool commuters. However, under current law, Federal agencies cannot offer a parking benefit to their employees who use park-and-ride lots or other remote parking locations. The Commuter Benefits Equity Act would remove this restriction, allowing Federal employees access to the same benefits enjoyed by their private-sector counterparts.

The Washington Metropolitan Region is home to thousands of Federal employees. It is also one of the Nation's most highly congested areas, ranking fourth in per capita congestion. This area has the third longest average commute time in the country. It is clearly in our interest to support programs which encourage Federal employees to make greater use of public transportation for their commuting needs.

The simple change made by the Commuter Benefits Equity Act would provide a significant benefit to those Federal employees whose commute to work includes parking at a transit facility. For example, a commuter who rides the Metrorail to work and parks at the Rockville park-and-ride lot pays about $45 monthly for parking, on top of the cost of riding the train. A private-sector employee whose employer provides the parking benefit in addition to salary could receive $540 a year tax free to help pay these parking costs. Federal government employees should be allowed the same benefit.

I support the Commuter Benefits Equity Act because it creates parity—parity in the tax code between the parking and transit benefits, and parity for Federal employees with their private-sector counterparts. Both of these improvements will aid our efforts to fight congestion and pollution by supporting public transportation. I encourage my colleagues to join me in supporting the Commuter Benefits Equity Act.

By Mrs. FEINSTEIN:

S. 662. A bill to extend to Nepal certain preferential treatment with respect to apparel articles; to the Committee on Finance.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce legislation to grant garment imports from Nepal duty free status in the United States for two years. We have an opportunity the help one of the world's most impoverished countries sustain a vital export industry and promote political and economic stability after years of conflict.

My interest in Nepal goes back over 25 years and I have had the pleasure to travel there and visit with friends on many occasions. The warmth and friendliness of the people and the vitality and richness of the culture are only matched by the beauty of the breathtaking landscape.

Nevertheless, Nepal faces some serious challenges in the years ahead as it attempt to build a prosperous economy and raise the living standards of its people.

It ranks as the 12th poorest country in the world, with a per capita income of $240. Approximately 42 percent of the 24 million people live in poverty. Unemployment stands at 47 percent.

On top of this, Nepal has had to confront a Maoist insurgency which has claimed the lives of more than 7,200 people since 1996 with two thirds of the deaths occurring since November 2001. Estimated to include between 5,000 and 10,000 armed soldiers, the Maoists control between one-quarter and one-half of the country.

As a result of the political instability, for the first time in twenty years Nepal's economy contracted in 2002 by 0.6 percent and tourism, one of the main sources of income, fell by 27 percent. The situation became so dire last year that one advisor to Nepal's king noted that ''Nepal is on the verge of becoming a failed state.''

Yet there is reason for hope. On January 29, 2003 the Government of Nepal and the Maoist rebels reached a cease-fire agreement, opening the door for negotiations for a permanent end to the conflict. I am hopeful they will be successful. We now have the opportunity to build on the hopes of a peaceful solution to conflict and really make a difference in the lives of the Nepalese people.

Humanitarian and development assistance should be an important part of that effort. But we should also help the Nepalese help themselves and open the U.S. market to a critical export industry. In the end, economic growth and prosperity can best be achieved when Nepal is given the chance to compete and grow in a free and open global marketplace.

Success in that marketplace will lead to a lesser dependence on foreign aid and encourage Nepal to develop other viable export industries.

Since the mid-1980s, garments have emerged as a key part of Nepal's manufacturing sector. The garment industry in Nepal is entirely export oriented and accounts for 40 percent of the foreign exchange earnings. It employs over 100,000 workers half of them women and sustains the livelihood of over 350,000 people. The United States is the largest market for Nepalese garments and accounts for 80–90 percent of Nepal's total exports every year.

Yet, despite Nepal's poverty and the importance of the garment industry and the U.S. market, Nepalese garments are subject to U.S. tariffs of 17–35 percent. This is simply not acceptable and does harm to a country that can least afford it.

I might point out that this tariff rate is in contrast to the European Union, Canada, and Australia which allow or will soon allow Nepalese garments into their markets duty free.

The United States can make a real difference now to sustain the garment industry in Nepal and promote economic growth and higher living standards. My bill is simple and straightforward. It grants duty free status to imports of Nepalese garments and textiles for a two year period. This is the same status granted to participating lesser developed countries under the African Growth and Opportunity Act.

For those of my colleagues who are concerned about the impact that duty free status for Nepalese garments and textiles would have on the domestic industry, it is worth noting that Nepalese garments, at their highest level, accounted for 0.1 percent of all garment and textile imports in the United States generating $29.5 million in revenue.

Nepal is, and will continue to be, a small player in the U.S. garment market, but the importance of the garment industry in Nepal compels us to action.

Let us not miss this chance to help Nepal build a better future for its people and demonstrate to them and the rest of the world the desire of the United States to see developing nations rise from poverty to economic prosperity. I urge my colleagues to support this legislation.

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

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

S. 662

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

SECTION 1. TREATMENT OF CERTAIN TEXTILES AND APPAREL.

Notwithstanding any other provision of law, the preferential treatment extended to apparel articles under section 112(b)(3)(B) of the African Growth and Opportunity Act (19 U.S.C. 3721(b)(3)(B)) shall also apply to apparel articles that are imported directly into the customs territory of the United States from Nepal in accordance with the provisions set forth in such section as if such articles were articles of a lesser developed beneficiary sub-Saharan African country, if Nepal has satisfied the requirements set forth in section 113 of such Act (19 U.S.C. 3722), except that—

(1) any reference in section 112(b) or section 113 of the African Growth and Opportunity Act to a lesser developed beneficiary sub-Saharan African country or countries) shall be treated as a reference to Nepal; and

(2) such preferential treatment shall apply to apparel articles imported into the customs territory of the United States during the period beginning on October 1, 2003, and ending on September 30, 2005.

By Mr. INOUYE:

S. 663. A bill for the relief of the Pottawatomi Nation in Canada for settlement of certain claims against the United States; to the Committee on the Judiciary.

Mr. INOUYE. Mr. President, almost eight years ago, I stood before you to introduce a bill ''to provide an opportunity for the Pottawatomi Nation in Canada to have the merits of their claims against the United States determined by the United States Court of Federal Claims.''

That bill was introduced as Senate Resolution 223, which referred the Pottawatomi's claim to the Chief Judge of the U.S. Court of Federal Claims and required the Chief Judge to report back to the Senate and provide sufficient findings of fact and conclusions of law to enable the Congress to determine whether the claim of the Pottawatomi Nation in Canada is legal or equitable in nature, and the amount of damages, if any, which may be legally or equitably due from the United States.

Last year, the Chief Judge of the Court of Federal Claims reported back that the Pottawatomi Nation in Canada has a legitimate and credible legal claim. Thereafter, by settlement stipulation, the United States has taken the position that it would be ''fair, just and equitable'' to settle the claims of the Pottawatomi Nation in Canada for the sum of $1,830,000. This settlement amount was reached by the parties after seven years of extensive, fact-intensive litigation. Independently, the court concluded that the settlement amount is ''not a gratuity'' and that the ''settlement was predicated on a credible legal claim.'' Pottawatomi Nation in Canada, et al. v. United States, Cong. Ref. 94–1037X at 28 (Ct. Fed. Cl., September 15, 2000) (Report of Hearing Officer).

The bill I introduce today is to authorize the appropriation of those funds that the United States has concluded would be ''fair, just and equitable'' to satisfy this legal claim. If enacted, this bill will finally achieve a measure of justice for a tribal nation that has for far too long been denied.

For the information of our colleagues, this is the historical background that informs the underlying legal claim of the Canadian Pottawatomi.

The members of the Pottawatomi Nation in Canada are one of the descendant groups—successors-in-interest—of the historical Pottawatomi Nation and their claim originates in the latter part of the 18th Century. The historical Pottawatomi Nation was aboriginal to the United States. They occupied and possessed a vast expanse in what is now the States of Ohio, Michigan, Indiana, Illinois, and Wisconsin. From 1795 to 1833, the United States annexed most of the traditional land of the Pottawatomi Nation through a series of treaties of cession—many of these cessions were made under extreme duress and the threat of military action. In exchange, the Pottawatomis were repeatedly made promises that the remainder of their lands would be secure and, in addition, that the United States would pay certain annuities to the Pottawatomi.

In 1829, the United States formally adopted a Federal policy of removal—an effort to remove all Indian tribes from their traditional lands east of the Mississippi River to the west. As part of that effort, the government increasingly pressured the Pottawatomis to cede the remainder of their traditional lands—some five million acres in and around the city of Chicago and remove themselves west. For years, the Pottawatomis steadfastly refused to cede the remainder of their tribal territory. Then in 1833, the United States, pressed by settlers seeking more land, sent a Treaty Commission to the Pottawatomi with orders to extract a cession of the remaining lands. The Treaty Commissioners spent two weeks using extraordinarily coercive tactics—including threats of war—in an attempt to get the Pottawatomis to agree to cede their territory. Finally, those Pottawatomis who were present relented and on September 26, 1933, they ceded their remaining tribal estate through what would be known as the Treaty of Chicago. Seventy-seven members of the Pottawatomi Nation signed the Treaty of Chicago. Members of the ''Wisconsin Band'' were not present and did not assent to the cession.

In exchange for their land, the Treaty of Chicago provided that the United States would give to the Pottawatomis five million acres of comparable land in what is now Missouri. The Pottawatomi were familiar with the Missouri land, aware that it was similar to their homeland. But the Senate refused to ratify that negotiated agreement and unilaterally switched the land to five million acres in Iowa. The Treaty Commissioners were sent back to acquire Pottawatomi assent to the Iowa land. All but seven of the original 77 signatories refused to accept the change even with promises that if they were dissatisfied ''justice would be done.'' Treaty of Chicago, as amended, Article 4. Nevertheless, the Treaty of Chicago was ratified as amended by the Senate in 1834. Subsequently, the Pottawatomis sent a delegation to evaluate the land in Iowa. The delegation reported back that the land was ''not fit for snakes to live on.''

While some Pottawatomis removed westward, many of the Pottawatomis—particularly the Wisconsin Bank, whose leaders never agreed to the Treaty—refused to do so. By 1836, the United States began to forcefully remove Pottawatomis who remained in the east—with devastating consequences. As is true with many other American Indian tribes, the forced removal westward came at great human cost. Many of the Pottawatomi were forcefully removed by mercenaries who were paid on a per capita basis government contract. Over one-half of the Indians removed by these means died en route. Those who reached Iowa were almost immediately removed further to inhospitable parts of Kansas against their will and without their consent.

Knowing of these conditions, many of the Pottawatomis including most of those in the Wisconsin Bank vigorously resisted forced removal. To avoid Federal troops and mercenaries, much of the Wisconsin Bank ultimately found it necessary to flee to Canada. They were often pursued to the border by government troops, government-paid mercenaries or both. Official files of the Canadian and United States governments disclose that many Pottawatomis were forced to leave their homes without their horses or any of their possessions other than the clothes on their backs.

By the late 1830s, the government refused payment of annuities to any Pottawatomi groups that had not removed west. In the 1860s, members of the Wisconsin Band—those still in their traditional territory and those forced to flee to Canada—petitioned Congress for the payment of their treaty annuities promised under the Treaty of Chicago and all other cession treaties. By the Act of June 25, 1864, 13 Stat. 172, the Congress declared that the Wisconsin Band did not forfeit their annuities by not removing and directed that the share of the Pottawatomi Indians who had refused to relocate to the west should be retained for their use in the United States Treasury. H.R. Rep. No. 470, 64th Cong., p. 5, as quoted on page 3 of

memo dated October 7, 1949. Nevertheless, much of the money was never paid to the Wisconsin Band.

In 1903, the Wisconsin Band—most of whom now resided in three areas, the States of Michigan and Wisconsin and the Province of Ontario—petitioned the Senate once again to pay them their fair portion of annuities as required by the law and treaties. Sen. Doc. No. 185, 57th Cong., 2d Sess. By the Act of June 21, 1906, 34 Stat. 380, the Congress directed the Secretary of the Interior to investigate claims made by the Wisconsin Band and establish a roll of the Wisconsin Band Pottawatomis that still remained in the East. In addition, the Congress ordered the Secretary to determine ''the[] [Wisconsin Bands] proportionate shares of the annuities, trust funds, and other moneys paid to or expended for the tribe to which they belong in which the claimant Indians have not shared, [and] the amount of such monies retained in the Treasury of the United States to the credit of the clamant Indians as directed the provisions of the Act of June 25, 1864.''

In order to carry out the 1906 Act, the Secretary of Interior directed Dr. W.M. Wooster to conduct an enumeration of Wisconsin Band Pottawatomi in both the United States and Canada. Dr. Wooster documented 2007 Wisconsin Pottawatomis: 457 in Wisconsin and Michigan and 1550 in Canada. He also concluded that the proportionate share of annuities for the Pottawatomis in Wisconsin and Michigan was $477,339 and the proportionate share of annuities due the Pottawatomi Nation in Canada was $1,517,226. The Congress thereafter enacted a series of appropriation Acts from June 30, 1913 to May 29, 1928 to satisfy most of money owed to those Wisconsin Band Pottawatomis residing in the United States. However, the Wisconsin Band Pottawatomis who resided in Canada were never paid their share of the tribal funds.

Since that time, the Pottawatomi Nation in Canada has diligently and continuously sought to enforce their treaty rights, although until this congressional reference, they had never been provided their day in court. In 1910, the United States and Great Britian entered into an agreement for the purpose of dealing with claims between both countries, including claims of Indian tribes within their respective jurisdictions, by creating the Pecuniary Claims Tribunal. From 1910 to 1938, the Pottawatomi Nation in Canada diligently sought to have their claim heard in this international forum. Overlooked for more pressing international matters of the period, including the intervention of World War I, the Pottawatomis then came to the U.S. Congress for redress of their claim.

In 1946, the Congress waived its sovereign immunity and established the Indian Claims Commission for the purpose of granting tribes their long-delayed day in court. The Indian Claims Commission Act (ICCA) granted the Commission jurisdiction over claims such as the type involved here. In 1948, the Wisconsin Band Pottawatomis from both sides of the border—brought suit together in the Indian Claims Commission for recovery of damages. Hannahville Indian Community v. U.S., No. 28 (Ind. Cl. Comm. Filed May 4, 1948). Unfortunately, the Indian Claims Commission dismissed Pottawatomi Nation in Canada's part of the claim ruling that the Commission had no jurisdiction to consider claims of Indians living outside territorial limits of the United States. Hannahville Indian Community v. U.S., 115 Ct. Cl. 823 (1950). The claim of the Wisconsin band residing in the United States that was filed in the Indian Claims Commission was finally decided in favor of the Wisconsin Band by the U.S. Claims court in 1983. Hannahville Indian Community v. United States, 4 Ct. Cl. 445 (1983). The Court of Claims concluded that the Wisconsin Band was owed a member's proportionate share of unpaid annuities from 1838 through 1907 due under various treaties, including the Treaty of Chicago and entered judgment for the American Wisconsin band Pottawatomis for any monies not paid. Still the Pottawatomi Nation in Canada was excluded because of the jurisdictional limits of the ICCA.

Undaunted, the Pottawatomi Nation in Canada came to the Senate and after careful consideration, we finally gave them their long-awaited day in court through the congressional reference process. The court has now reported back to us that their claim is meritorious and that the payment that this bill would make constitutes a ''fair, just and equitable'' resolution to this claim.

The Pottawatomi Nation in Canada has sought justice for over 150 years. They have done all that we asked in order to establish their claim. Now it is time for us to finally live up to the promise our government made so many years ago. It will not correct all the wrongs of the past, but it is a demonstration that this government is willing to admit when it has left unfulfilled an obligation and that the United States is willing to do what we can to see that justice—so long delayed—is not now denied.

Finally, I would just note that the claim of the Pottawatomi Nation in Canada is supported through specific resolutions by the National Congress of American Indians, the oldest, largest and most-representative tribal organization here in the United States, the Assembly of First Nations, which includes all recognized tribal entities in Canada, and each and every one of the Pottawatomi tribal groups that remain in the United States today.

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

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

S. 663

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

SECTION 1. SETTLEMENT OF CERTAIN CLAIMS.

(a) AUTHORIZATION FOR PAYMENT.—Notwithstanding any other provision of law, subject to subsection (b), the Secretary of the Treasury shall pay to the Pottawatomi Nation in Canada $1,830,000 from amounts appropriated under section 1304 of title 31, United States Code.

(b) PAYMENT IN ACCORDANCE WITH STIPULATION FOR RECOMMENDATION OF SETTLEMENT.—The payment under subsection (a) shall—

(1) be made in accordance with the terms and conditions of the Stipulation for Recommendation of Settlement dated May 22, 2000, entered into between the Pottawatomi Nation in Canada and the United States (referred to in this Act as the ''Stipulation for Recommendation of Settlement''); and

(2) be included in the report of the Chief Judge of the United States Court of Federal Claims regarding Congressional Reference No. 94–1037X submitted to the Senate on January 4, 2001, in accordance with sections 1492 and 2509 of title 28, United States Code.

(c) FULL SATISFACTION OF CLAIMS.—The payment under subsection (a) shall be in full satisfaction of all claims of the Pottawatomi Nation in Canada against the United States that are referred to or described in the Stipulation for Recommendation of Settlement.

(d) NONAPPLICABILITY.—Notwithstanding any other provision of law, the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.) shall not apply to the payment under subsection (a).

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. GRASSLEY, Mr. ROCKEFELLER, Mr. SMITH, Mr. DASCHLE, Mr. KYL, Mrs. LINCOLN, Mr. THOMAS, Mr. KERRY, Mr. BUNNING, Mrs. FEINSTEIN, Mr. ALLEN, Mrs. BOXER, Mr. COCHRAN, Mr. LIEBERMAN, Mrs. HUTCHISON, Ms. STABENOW, Mr. ENSIGN, Mr. BAYH, Mr. ALLARD, Mr. MILLER, and Ms. CANTWELL):

S. 664. A bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, to increase the rates of the alternative incremental credit, and to provide an alternative simplified credit for qualified research expenses; to the Committee on Finance.

Mr. HATCH. Mr. President, I am very pleased to join with my friend and colleague Senator BAUCUS and a majority of our Finance Committee colleagues from both sides of the aisle today in introducing legislation that would permanently extend and improve the research tax credit.

The 1990s were a great period in American economic history because American workers became more productive. This increase in productivity allowed the economy to continue to grow faster than almost anyone thought possible. Throughout the 1990s, doomsayers said that we had reached the economy's speed limit, but we just kept growing. How did this happen?

The Congressional Budget Office, Federal Reserve Chairman Alan Greenspan, and dozens of leading economists have all heralded the increase in our

productivity as a key to those economic good times. A major reason for this increase in productivity, is the flowering of new ideas through research and development. Restoring and increasing that growth is what our bill today is all about.

But why do we need a research tax credit? Are not profitable new ideas their own reward? Is not the promise of future profits from new drug discoveries and new manufacturing techniques its own incentive? Will not companies do large amounts of R&D on their own, without any special tax incentives?

Yes, of course, they will. But they clearly will not do enough. This is because cutting-edge research and development has spillover effects that reach far beyond the company that makes the investment. When companies invent new ideas and new production techniques, those inventions last forever, and help people in the United States and throughout the world. But the company that invests in R&D will only be able to make a sizable profit on its invention for a few years at most. That is because either the patent will expire, or other companies will imitate the new technique and cut the inventor's hoped-for profits.

Now, I am all in favor of vigorous competition—it keeps our companies strong and efficient. But we have to recognize that competition means that innovators will receive only a fraction of the benefits of their innovation. Once the imitators pop up and competition increases, we know that profits will fall, prices will fall, and the benefits of innovation, thankfully, will get passed on to consumers. We need innovation, and fortunately, we have a strong, proven tax incentive that can encourage that innovation. The benefits of innovation reach far beyond the company that invents them. That is why we need to give companies incentives to do more innovation.

I believe the best way to ensure that private-sector investment in research and development continues at the healthy rate needed to fuel productivity gains in the future is to improve and permanently extend the research credit. This tax provision is a proven and a cost-effective incentive to increase private-sector R&D spending.

Studies have shown that the research tax credit significantly increases research and development expenditures. The marginal effect of one dollar of the research credit creates approximately one dollar of additional private research and development spending over the short-run and as much as two dollars of extra R&D spending over the long-run. That, is a good deal for the American taxpayer.

One of the greatest strengths of the research credit has always been that it gave good incentives for more innovation. This year's proposal to extend the credit is no exception. This year, we have added a third way to qualify for the credit, an elective ''alternative simplified credit.'' We propose to base this new alternative credit on how much a company has increased its R&D spending compared to the last three years. Companies will average their R&D spending over the previous three years, and cut that number in half. For every dollar they spend over that amount, they get a 12 percent tax credit. If they spend less than that amount, they get no credit at all. This is why this credit is so effective—it gives benefits to companies that do more, and gives no benefits to companies that do less. That is good tax policy, and good growth policy.

Once again, I want to ask my colleagues to make this credit permanent. I think we all know that this credit is going to be extended, again and again, every few years. It takes time and energy for my colleagues to revisit this issue every few years. Can we not just, once and for all, make this provision permanent? We know this is good policy, and it is one of the most effective tax incentives in the code. As I stated earlier, even under today's permanently temporary credit, every dollar of tax credit is estimated to increase R&D spending by one dollar in the short run and by up to two dollars in the long run. And if we make this permanent, those incentives will only improve.

As it stands, companies have to take account of the fact that Congress could allow the credit lapse for a few months, as it did a number of years ago. So companies hedge their bets, they spend a little less on R&D, and our economy suffers as a result. By contrast, permanence helps planning. The sooner we make this permanent, the sooner companies can begin to enlarge and expand their research and development units, and the sooner their innovations will strengthen economic growth.

A permanent extension of this credit may seem costly in terms of lost revenue. However, when you consider the value that this investment will create for our economy, it is a bargain. In fact, one study estimates that a permanent research credit would result in our Gross Domestic Product increasing by $10 billion after five years and by $31 billion after 20 years.

By making our workers more productive, this credit will also increase wages. That is because study after study shows an iron-clad link between worker productivity and worker wages. Findings from a study conducted by Coopers & Lybrand show that workers in every state will benefit from higher wages if the research tax credit is made permanent. Payroll increases as a result of gains in productivity stemming from the credit have been estimated to exceed $60 billion over the next 12 years.

My home State of Utah is a good example of how State economies benefit from the research tax credit. Utah is home to a large number of firms that invest a high percentage of their revenue on research and development.

In Utah, five percent of the workers—51,000 people—work in the research-intensive high technology sector. That includes over 10,000 people working just to design computer systems, and over 6,000 producing medical equipment. And there is a lot of R&D taking place outside of Utah's high tech sector.

Just to give one example, more than 7,000 people work in Utah's chemical industry, and workers in that industry benefit from research and development taking place in Utah and throughout the country. Aerospace and the drug and pharmaceutical industries are two more examples of big Utah employer groups that reap the benefits of R&D. And even in the midst of my state's currently weak job market, two industries that increased employment in 2002 were the medical equipment and the scientific research and development services industries.

So, the point I want to make is not that Utah needs to do all of the research in order to reap the benefits of that research. Instead, the point I want to make is that workers in my state will become more productive and earn higher wages both when they invent new ideas, and when they use new ideas, wherever those new ideas come from.

I want Utah companies to be able to buy better manufacturing equipment, more reliable electronics, and have access to more efficient quality control techniques. The workers who use new inventions will get just as many benefits as workers who create those new inventions. And the evidence clearly shows, that the research credit will increase creation.

In short, there are tens of thousands of employees working in Utah's thousands of technology based companies, with tens of thousands more working in other sectors that engage in R&D. Beyond that, practically all of Utah's hundreds of thousands of workers benefit from higher productivity coming from the innovations that researchers both inside and outside of Utah produce. Research and development is clearly the lifeblood of our economy.

During the ten times in the past 20 years that Congress has extended the research credit for a short time, the ostensible reason has been a lack of revenue. The excuse we give to constituents is that we didn't have the money to extend the bill permanently. Ironically, it costs at least as much in terms of lost revenue, in the long run, to enact short-term extensions as it does to extend it permanently.

A permanent research credit has wide support in both the Senate and the House. A few years ago, this body passed by a vote of 98–1 an amendment that would have permanently extended the credit. Unfortunately, all amendments were ultimately stripped from the underlying bill. Moreover, the permanent extension of the credit is a major provision in President Bush's tax plan, and was supported by both former President Clinton and by Al

Gore. Again in 2001, this body voted to include a permanent research credit in the President's tax plan.

In conclusion, making the research tax credit permanent will increase the growth rate of our economy. It will mean more and better jobs for American workers. Making the tax credit permanent will speed economic growth. And new technology resulting from American research and development will continue to improve the standard of living for every person in the U.S. and around the world. I look forward to working with my colleagues on the Finance Committee and in the Senate as a whole to create a permanent, improved research and development tax credit.

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. 664

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 ''Investment in America Act of 2003''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Research and development performed in the United States results in quality jobs, better and safer products, increased ownership of technology-based intellectual property, and higher productivity in the United States.

(2) The extent to which companies perform and increase research and development activities in the United States is in part dependent on Federal tax policy.

(3) Congress should make permanent a research and development credit that provides a meaningful incentive to all types of taxpayers.

SEC. 3. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) of such Code is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 4. INCREASE IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.

(a) IN GENERAL.—Subparagraph (A) of section 41(c)(4) of the Internal Revenue Code of 1986 (relating to election of alternative incremental credit) is amended—

(1) by striking ''2.65 percent'' and inserting ''3 percent'',

(2) by striking ''3.2 percent'' and inserting ''4 percent'', and

(3) by striking ''3.75 percent'' and inserting ''5 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 5. ALTERNATIVE SIMPLIFIED CREDIT FOR QUALIFIED RESEARCH EXPENSES.

(a) IN GENERAL.—Subsection (c) of section 41 of the Internal Revenue Code of 1986 (relating to base amount) is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting after paragraph (4) the following new paragraph:

''(5) ELECTION OF ALTERNATIVE SIMPLIFIED CREDIT.—

''(A) IN GENERAL.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to 12 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined.

''(B) SPECIAL RULE IN CASE OF NO QUALIFIED RESEARCH EXPENSES IN ANY OF 3 PRECEDING TAXABLE YEARS.—

''(i) TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.—The credit under this paragraph shall be determined under this subparagraph if the taxpayer has no qualified research expenses in any 1 of the 3 taxable years preceding the taxable year for which the credit is being determined.

''(ii) CREDIT RATE.—The credit determined under this subparagraph shall be equal to 6 percent of the qualified research expenses for the taxable year.

''(C) ELECTION.—An election under this paragraph shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary. An election under this paragraph may not be made for any taxable year to which an election under paragraph (4) applies.''

(b) COORDINATION WITH ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Section 41(c)(4)(B) of the Internal Revenue Code of 1986 (relating to election) is amended by adding at the end the following: ''An election under this paragraph may not be made for any taxable year to which an election under paragraph (5) applies.''

(2) TRANSITION RULE.—In the case of an election under section 41(c)(4) of the Internal Revenue Code of 1986 which applies to the taxable year which includes the date of the enactment of this Act, such election shall be treated as revoked with the consent of the Secretary of the Treasury if the taxpayer makes an election under section 41(c)(5) of such Code (as added by subsection (a)) for such year.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

Mr. BAUCUS. Mr. President, I am pleased to again join with my friend, Senator HATCH, and my other colleagues, in introducing legislation to make a permanent commitment to research-intensive businesses in the United States. This legislation is bipartisan and bicameral. A companion bill was introduced in January in the House of Representatives by Congresswoman NANCY JOHNSON and Congressman ROBERT MATSUI.

Every morning we here news of some new product or discovery that promises to make our jobs easier or our lives better. Many of these innovations started with a business decision to hire needed researchers and finance the expensive and long process of research and experimentation. Since 1981, when the R&D tax credit was first enacted, the federal government was a partner in that business endeavor because of the potential spillover benefits to society overall from additional research spending.

Research has shown that a tax credit is a cost-effective way to promote R&D. The General Accounting Office, the Bureau of Labor Statistics, the National Bureau of Economic Research, and others have all found significant evidence that a tax credit stimulates additional domestic R&D spending by U.S. companies. A reported by the Congressional Research Service, CRS, indicates that economists generally agree that, without government support, firm investment in R&D would fall short of the socially optimal amount and thus CRS advocates government policies to boost private sector R&D.

R&D is linked to broader economic and labor benefits. R&D lays the foundation for technological innovation, which, in turn, is an important driving force in long-term economic growth—mainly through its impact on the productivity of capital and labor. We have many times heard testimony from economists, including Federal Research Board Alan Greenspan, that the reason our economy grew at such breakneck speed during the 1990s stemmed from the productivity growth we realized thanks to technological innovations.

There has been a belief that companies would continue to increase their research spending and that the benefits of these investments on the economy and labor markets would continue without end. Unfortunately, that is not the case. New data compiled by Battelle Memorial Institute and R&D Magazine project that for 2003, U.S. company spending on research will be mostly flat for the second year in a row. According to this report, companies plan a 0.1 percent increase in R&D spending in 2003. Spending in 2002 rose a mere 0.3 percent over 2001 levels. This compares to 2001 when R&D spending grew by 5 percent over the previous year. Those numbers should be a wake up call for all of us. As research spending falls, so too will the level of future economic growth.

It is also important to recognize that many of our foreign competitors are offering permanent and generous incentives to firms that attract research dollars to those countries. A 2001 study by the Organization of Economic Cooperation and Development, OECD, ranked the U.S. ninth behind other nations in terms of its incentives for business R&D spending. Countries that provide more generous R&D incentives include Spain, Canada, Portugal, Austria, Australia, Netherlands, France, and Korea. The United Kingdom was added to this list in 2002 when it further expanded its existing R&D incentives program. The continued absence of a long-term U.S. government R&D policy that encourages U.S.-based R&D will undermine the ability of American companies to remain competitive in U.S. and foreign markets. This disparity could limit U.S. competitiveness relative to its trading partners in the long-run.

Also, U.S. workers who are engaged in R&D activities currently benefit

from some of the most intellectually stimulating, high-paying, high-skilled jobs in the economy. My own State of Montana is an excellent example of this economic activity. During the 1990s, about 400 establishments provided high-technology services, at an average wage of about $35,000 per year. These jobs paid nearly 80 percent more than the average private sector wage of less than $20,000 per year during the same year. Many of these jobs would never have been created without the assistance of the R&D credit. While there may not be an immediate rush to move all projects and jobs offshore, there has been movement at the margins on those projects that are most cost-sensitive. Once those projects and jobs are gone, it will be many years before companies will have any incentive to bring them back to the United States.

We continue to grapple with the need to stimulate economic growth and advance policies that represent solid long-term investments that will reap benefits for many years to come. Senator HATCH and I repeatedly have pointed to the R&E tax credit as a measure that gives us a good ''bang for our buck.'' I hope this year we can enact a permanent tax credit that is effective and more widely available. I encourage my colleagues to join us in this effort.

As we have in years past, our proposal would make the current research and experimentation tax credit permanent and increase the Alternative Incremental Research Credit, AIRC, rates. This year we take one additional but necessary step.

We propose a new alternative simplified credit that will allow taxpayers to elect to calculate the R&D credit under new computational rules that will eliminate the present-law distortions caused by gross receipts.

There is no good policy reason to make research more expensive for some industries than for others. While the regular R&E tax credit works very well for many companies, as the credit's base period recedes and business cycles change, the current credit is out of reach for some other firms that still incur significant research expenditures. To help solve part of this problem Congress enacted the AIRC in 1996 and now we propose a way to address the rest of that problem.

Under current law, both the regular credit and the AIRC are calculated by reference to a taxpayer's gross receipts, a benchmark that can produce inequities and anomalous results. For example, many taxpayers are no longer able to qualify for the regular credit, despite substantial R&D investments, because their R&D spending relative to gross receipts has not kept pace with the ratio set in the 1984–88 base period, which governs calculation of the regular credit. This can happen, for example, simply where a company's sales increase significantly in the intervening years, where a company enters into an additional line of business that generates additional gross receipts but involves little R&D, or where a company becomes more efficient in its R&D processes.

Our proposal would correct this by allowing taxpayers a straightforward alternative research credit election. Taxpayers could elect, in lieu of the regular credit or the AIRC, a credit that would equal 12 percent of the excess of the taxpayer's current year qualified research expenditures, ''QREs'', over 50 percent of the taxpayer's average QREs for the 3 preceding years. Unlike the regular credit and the AIRC, this credit calculation does not involve gross receipts.

The R&D tax credit has proven it can be an effective incentive. We need to act to make it a permanent part of the tax code that U.S. businesses can rely on. The best thing we can do for our long-term economic well-being is to stoke the engine of growth—technology, high-wage jobs and productivity. I look forward to working with Sen. HATCH and all my colleagues on this important issue.

I urge my colleagues to support this important piece of legislation.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. ROBERTS, Mr. BROWNBACK, Mrs. LINCOLN, Mr. BURNS, Mr. CRAIG, Mr. CRAPO, Mr. FITZGERALD, Mr. JOHNSON, Mr. HAGEL, Mr. MILLER, Mr. DORGAN, and Mr. DASCHLE):

S. 665. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers and fishermen, and for other purposes; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I rise today to introduce, along with my good friend, Senator BAUCUS, to introduce the Tax Empowerment and Relief for Farmers and Fishermen Act, which I will refer to as the ''TERFF Act.'' I am pleased that Senators ROBERTS, BROWNBACK, LINCOLN, BURNS, CRAIG, CRAPO, FITZGERALD, HAGEL, and DORGAN are joining Senator BAUCUS and me as cosponsors of this important legislation.

I am a farmer, like my father was before me. I understand farming and how policy decisions from Washington impact hardworking farmers, like my son Robin. Before I ran for elected office and after I leave, God willing, I'll still be farming. There is little that I feel more strongly about than providing the agriculture community with the potential to survive and to thrive. As far as I'm concerned, agriculture is my ''turf'' and as long as I'm in this town, I'll do all I can to serve my friends and neighbors in the agriculture community.

This legislation has already been adopted by the Senate multiple times. In the midst of a serious downturn in the agriculture economy, it seems to me we ought to be doing everything we can to help farmers, and this would provide significant assistance.

First, this legislation includes Farm, Fish, and Ranch Risk Management Accounts. These farmer saving accounts would allow farmers to contribute up to 20 percent of their income in an account, and deduct it in the same year. Farm accounts would be a very important risk management tool that will help farmers put away money when there's actual income, so that, in the bad times, there will be a safety net. This measure has strong bipartisan support and was actually sent to President Clinton, who vetoed it.

In addition, this legislation would exempt Conservation Reserve Program payments from self-employment tax. Under current law, farmers who participate in the CRP are unnecessarily struggling during tax season because of a case pushed by the IRS. The latest 6th Circuit court's ruling treats CRP payments as farm income subject to the additional self-employment tax rate of 15 percent.

Senator BROWNBACK has taken the lead on fixing this problem. This unfair tax not only ignores the intent of Congress in creating the CRP, it discourages farmers from using environmentally pro-active measures. At a time when farmers are struggling to regain their footing economically and do the right thing environmentally, it's important that Congress support them by upholding its promise on CRP.

In addition, Senator LUGAR has led the effort to expand the current program that allows companies to donate to food banks, so that farmers and restaurants can also donate surplus food directly to needy food banks. This will be a win for the farmers and a big win for people who depend on food bank assistance.

In addition, when we passed income averaging for farmers a few years ago, we neglected to take into account the problem of running into the alternative minimum tax, which many farmers are facing now. My bill will fix this growing problem.

My bill also expands opportunities for beginning farmers who are in need of low interest rate loans for capital purchases of farmland and equipment.

Current law permits State authorities to issue tax exempt bonds and to lend the proceeds from the sale of the bonds to beginning farmers and ranchers to finance the cost of acquiring land, buildings and equipment used in a farm or ranch operation.

Unfortunately, aggie bonds are subject to a volume cap and must compete with big industrial projects for bond allocation. Aggie bonds share few similarities to industrial revenue bonds and should not be subject to the volume cap established for industrial revenue bonds.

Insufficient allocation of funding due to the volume cap limits the effectiveness of this program. We can't stand by and allow the next generation of farmers to lose an opportunity to participate in farming because of competition with industry for reduced interest loan rates.

In addition, the IRS recently determined that some cooperatives should be exposed to a regular corporate tax due to the fact that they are using organic value-added practices rather than manufactured value-added practices. This is unfair, and needs to be fixed.

It is also imperative that we not neglect the difficulties many producers are facing in light of persistent drought conditions. Under current law, a producer who loses livestock, or is forced to sell livestock, or is forced to sell livestock, is required to replace that livestock within two years. However, some parts of the country have already experienced two years of drought with no end in sight.

It goes against common sense for these producers to replace livestock until conditions improve. My legislation would extend the 2-year deadline to 4 years.

And of course my package wouldn't be complete without a provision leveling the playing field for ethanol producers.

The Small Ethanol Producer Credit will allow small cooperative producers of ethanol to be able to receive the same tax benefits as large companies. This provision provides cooperatives the ability to elect to pass through small ethanol producer credits to its patron.

The ''TERFF'' package will do more to reform taxes for the American farmer than any other measure in recent memory. I urge my colleagues to strongly support this measure.

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. 665

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

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Tax Empowerment and Relief for Farmers and Fishermen (TERFF) Act''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.
Sec. 2. Farm, fishing, and ranch risk management accounts.
Sec. 3. Exclusion of rental income from self-employment tax.
Sec. 4. Exclusion of conservation reserve program payments from self-employment tax.
Sec. 5. Exemption of agricultural bonds from private activity bond volume limits.
Sec. 6. Modifications to section 512(b)(13).
Sec. 7. Charitable deduction for contributions of food inventory.
Sec. 8. Coordinate farmers and fishermen income averaging and the alternative minimum tax.
Sec. 9. Modification to cooperative marketing rules to include value added processing involving animals.
Sec. 10. Extension of declaratory judgment procedures to farmers' cooperative organizations.
Sec. 11. Small ethanol producer credit.
Sec. 12. Payment of dividends on stock of cooperatives without reducing patronage dividends.
Sec. 13. Special rules for livestock sold on account of weather-related conditions.

SEC. 2. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following new section:

''SEC. 468C. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming business or commercial fishing, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm, Fishing, and Ranch Risk Management Account (hereinafter referred to as the 'FFARRM Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FFARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business or commercial fishing.

''(2) DISTRIBUTIONS.—Distributions from a FFARRM Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) ELIGIBLE FARMING BUSINESS.—The term 'eligible farming business' means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(2) COMMERCIAL FISHING.—The term 'commercial fishing' has the meaning given such term by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FFARRM ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FFARRM Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FFARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FFARRM Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

''(iii) subparagraph (B) or (C) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FFARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FFARRM Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FFARRM Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business or commercial fishing, there shall be deemed distributed from the FFARRM Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the

preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business or commercial fishing.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment after death of account holder).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FFARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL.—For purposes of this section, the term 'individual' shall not include an estate or trust.

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FFARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.''.

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following new paragraph:

''(4) a FFARRM Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 is amended by adding at the end the following new subsection:

''(g) EXCESS CONTRIBUTIONS TO FFARRM ACCOUNTS.—For purposes of this section, in the case of a FFARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FFARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''.

(3) The section heading for section 4973 is amended to read as follows:

"SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.".

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following new item:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''.

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR FFARRM ACCOUNTS.—A person for whose benefit a FFARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FFARRM Account by reason of the application of section 468C(f)(3)(A) to such account.''.

(2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

''(E) a FFARRM Account described in section 468C(d),''.

(d) FAILURE TO PROVIDE REPORTS ON FFARRM ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

''(C) section 468C(g) (relating to FFARRM Accounts),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following new item:

''Sec. 468C. Farm, Fishing and Ranch Risk Management Accounts.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 3. EXCLUSION OF RENTAL INCOME FROM SELF-EMPLOYMENT TAX.

(a) INTERNAL REVENUE CODE.—Section 1402(a)(1)(A) (relating to net earnings from self-employment) is amended by striking ''an arrangement'' and inserting ''a written lease agreement''.

(b) SOCIAL SECURITY ACT.—Section 211(a)(1)(A) of the Social Security Act is amended by striking ''an arrangement'' and inserting ''a written lease agreement''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 4. EXCLUSION OF CONSERVATION RESERVE PROGRAM PAYMENTS FROM SELF-EMPLOYMENT TAX.

(a) INTERNAL REVENUE CODE.—Section 1402(a)(1) (relating to net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) SOCIAL SECURITY ACT.—Section 211(a)(1) of the Social Security Act is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 5. EXEMPTION OF AGRICULTURAL BONDS FROM PRIVATE ACTIVITY BOND VOLUME LIMITS.

(a) IN GENERAL.—Section 146(g) (relating to exception for certain bonds) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by inserting after paragraph (4) the following new paragraph:

''(5) any qualified small issue bond described in section 144(a)(12)(B)(ii).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 6. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) (relating to special rules for certain amounts received from controlled entities) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new subparagraph:

''(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

''(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received or accrued by the controlling organization that exceeds the amount which would have been paid or accrued if such payment met the requirements prescribed under section 482.

''(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of the larger of—

''(I) such excess determined without regard to any amendment or supplement to a return of tax, or

''(II) such excess determined with regard to all such amendments and supplements.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 2000.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 did not apply to any amount received or accrued in the first 2 taxable years beginning on or after the date of the enactment of the Taxpayer Relief Act of 1997 under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2001.

SEC. 7. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) APPLICATION OF PARAGRAPH (3) TO CERTAIN CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) EXTENSION TO INDIVIDUALS.—In the case of a charitable contribution of apparently wholesome food—

''(i) paragraph (3)(A) shall be applied without regard to whether the contribution is made by a C corporation, and

''(ii) in the case of a taxpayer other than a C corporation, the aggregate amount of such contributions from any trade or business (or interest therein) of the taxpayer for any taxable year which may be taken into account under this section shall not exceed 10 percent of the taxpayer's net income from any such trade or business, computed without regard to this section, for such taxable year.

''(B) LIMITATION ON REDUCTION.—In the case of a charitable contribution of apparently wholesome food, notwithstanding paragraph (3)(B), the amount of the reduction determined under paragraph (1)(A) shall not exceed the amount by which the fair market value of such property exceeds twice the basis of such property.

''(C) DETERMINATION OF BASIS.—If a taxpayer—

''(i) does not account for inventories under section 471, and

''(ii) is not required to capitalize indirect costs under section 263A,

the taxpayer may elect, solely for purposes of paragraph (3)(B), to treat the basis of any apparently wholesome food as being equal to 25 percent of the fair market value of such food.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of apparently wholesome food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraph (A) of this paragraph) and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards or such lack of market and

''(ii) by taking into account the price at which the same or substantially the same food items (as to both type and quality) are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(E) APPARENTLY WHOLESOME FOOD.—For purposes of this paragraph, the term 'apparently wholesome food' has the meaning given such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after the date of the enactment of this Act.

SEC. 8. COORDINATE FARMERS AND FISHERMEN INCOME AVERAGING AND THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

''(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS AND FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of farm and fishing income) shall not apply in computing the regular tax.''.

(b) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(1) IN GENERAL.—Section 1301(a) is amended by striking ''farming business'' and inserting ''farming business or fishing business''.

(2) DEFINITION OF ELECTED FARM INCOME.—

(A) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting ''or fishing business'' before the semicolon.

(B) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting ''or fishing business'' after ''farming business'' both places it occurs.

(3) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 9. MODIFICATION TO COOPERATIVE MARKETING RULES TO INCLUDE VALUE ADDED PROCESSING INVOLVING ANIMALS.

(a) IN GENERAL.—Section 1388 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

''(k) COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING INVOLVING ANIMALS.—For purposes of section 521 and this subchapter, the term 'marketing the products of members or other producers' includes feeding the products of members or other producers to cattle, hogs, fish, chickens, or other animals and selling the resulting animals or animal products.''.

(b) CONFORMING AMENDMENT.—Section 521(b) is amended by adding at the end the following new paragraph:

''(7) CROSS REFERENCE.—

''For treatment of value-added processing involving animals, see section 1388(k).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 10. EXTENSION OF DECLARATORY JUDGMENT PROCEDURES TO FARMERS' COOPERATIVE ORGANIZATIONS.

(a) IN GENERAL.—Section 7428(a)(1) (relating to declaratory judgments of tax exempt organizations) is amended by striking ''or'' at the end of subparagraph (B) and by adding at the end the following new subparagraph:

''(D) with respect to the initial classification or continuing classification of a cooperative as described in section 521(b) which is exempt from tax under section 521(a), or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to pleadings filed after the date of the enactment of this Act.

SEC. 11. SMALL ETHANOL PRODUCER CREDIT.

(a) ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.—Section 40(g) (relating to alcohol used as fuel) is amended by adding at the end the following new paragraph:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) ELECTION TO ALLOCATE.—

''(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

''(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons under subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year,

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage dividends for the taxable year described in subparagraph (A) are included in gross income, and

''(iii) shall be included in gross income of such patrons for the taxable year in the manner and to the extent provided in section 87.

''(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

''(i) such reduction, over

''(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.''.

(b) IMPROVEMENTS TO SMALL ETHANOL PRODUCER CREDIT.—

(1) DEFINITION OF SMALL ETHANOL PRODUCER.—Section 40(g) (relating to definitions and special rules for eligible small ethanol producer credit) is amended by striking ''30,000,000'' each place it appears and inserting ''60,000,000''.

(2) SMALL ETHANOL PRODUCER CREDIT NOT A PASSIVE ACTIVITY CREDIT.—Clause (i) of section 469(d)(2)(A) is amended by striking ''subpart D'' and inserting ''subpart D, other than section 40(a)(3),''.

(3) ALLOWING CREDIT AGAINST ENTIRE REGULAR TAX AND MINIMUM TAX.—

(A) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax), as amended by section 301(b) of the Job Creation and Worker Assistance Act of 2002, is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) SPECIAL RULES FOR SMALL ETHANOL PRODUCER CREDIT.—

''(A) IN GENERAL.—In the case of the small ethanol producer credit—

''(i) this section and section 39 shall be applied separately with respect to the credit, and

''(ii) in applying paragraph (1) to the credit—

''(I) the amounts in subparagraphs (A) and (B) thereof shall be treated as being zero, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the small ethanol producer credit).

''(B) SMALL ETHANOL PRODUCER CREDIT.—For purposes of this subsection, the term 'small ethanol producer credit' means the credit allowable under subsection (a) by reason of section 40(a)(3).''.

(B) CONFORMING AMENDMENTS.—Subclause (II) of section 38(c)(2)(A)(ii), as amended by section 301(b)(2) of the Job Creation and Worker Assistance Act of 2002, and subclause (II) of section 38(c)(3)(A)(ii), as added by section 301(b)(1) of such Act, are each amended by inserting ''or the small ethanol producer credit'' after ''employee credit''.

(4) SMALL ETHANOL PRODUCER CREDIT NOT ADDED BACK TO INCOME UNDER SECTION 87.—Section 87 (relating to income inclusion of alcohol fuel credit) is amended to read as follows:

''SEC. 87. ALCOHOL FUEL CREDIT.

''Gross income includes an amount equal to the sum of—

''(1) the amount of the alcohol mixture credit determined with respect to the taxpayer for the taxable year under section 40(a)(1), and

''(2) the alcohol credit determined with respect to the taxpayer for the taxable year under section 40(a)(2).''.

(c) CONFORMING AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following new subsection:

''(k) CROSS REFERENCE.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(g)(6).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 12. PAYMENT OF DIVIDENDS ON STOCK OF COOPERATIVES WITHOUT REDUCING PATRONAGE DIVIDENDS.

(a) IN GENERAL.—Subsection (a) of section 1388 (relating to patronage dividend defined) is amended by adding at the end the following new sentence: ''For purposes of paragraph (3), net earnings shall not be reduced by amounts paid during the year as dividends on capital stock or other proprietary

capital interests of the organization to the extent that the articles of incorporation or bylaws of such organization or other contract with patrons provide that such dividends are in addition to amounts otherwise payable to patrons which are derived from business done with or for patrons during the taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions in taxable years beginning after the date of the enactment of this Act.

SEC. 13. SPECIAL RULES FOR LIVESTOCK SOLD ON ACCOUNT OF WEATHER-RELATED CONDITIONS.

(a) RULES FOR REPLACEMENT OF INVOLUNTARILY CONVERTED LIVESTOCK.—Subsection (e) of section 1033 (relating to involuntary conversions) is amended—

(1) by striking ''CONDITIONS.—For purposes'' and inserting ''CONDITIONS.—

''(1) IN GENERAL.—For purposes'', and

(2) by adding at the end the following new paragraph:

''(2) EXTENSION OF REPLACEMENT PERIOD.—

''(A) IN GENERAL.—In the case of drought, flood, or other weather-related conditions described in paragraph (1) which result in the area being designated as eligible for assistance by the Federal Government, subsection (a)(2)(B) shall be applied with respect to any converted property by substituting '4 years' for '2 years'.

''(B) FURTHER EXTENSION BY SECRETARY.—The Secretary may extend on a regional basis the period for replacement under this section (after the application of subparagraph (A)) for such additional time as the Secretary determines appropriate if the weather-related conditions which resulted in such application continue for more than 3 years.''.

(b) INCOME INCLUSION RULES.—Section 451(e) (relating to special rule for proceeds from livestock sold on account of drought, flood, or other weather-related conditions) is amended by adding at the end the following new paragraph:

''(3) SPECIAL ELECTION RULES.—If section 1033(e)(2) applies to a sale or exchange of livestock described in paragraph (1), the election under paragraph (1) shall be deemed valid if made during the replacement period described in such section.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

Mr. BAUCUS. Mr. President, I am pleased to join Chairman GRASSLEY in introducing the Tax Empowerment and Relief for Farmers and Fishermen Act.

Rural America has been experiencing some hard times. Drought, low prices, and an economic downturn have left agricultural producers in dire straits and have left rural economies reeling. Farmers and ranchers are the life blood to rural economies, and when agriculture is hurting, rural America hurts. Small towns are dying, stores on Main Street are closing and farmers are leaving their land.

Congress has worked hard to help our nation's agricultural producers, but with this bill, we are giving them the tools to help themselves. This package includes Farm, Fish, and Ranch Risk Management Accounts, otherwise known as FFARRM Accounts. These farmer savings accounts would allow farmers to contribute up to 20 percent of their income to a savings account, and deduct it in the same year. FFARRM accounts would be a very important risk management tool to help farmers put away money when there's actual income, so that in the really bad times there would be a safety net.

This legislation also reverses unfair IRS decisions on self-employment tax for farmers. Farmers who participate in the Conservation Reserve Program are unnecessarily struggling during tax season because of a case pursued by the IRS. The latest 6th-Circuit Court ruling treats CRP as farm income subject to the additional self-employment tax rate of 15 percent. This unfair tax not only ignores the intent of Congress in creating the CRP, but it also discourages farmers from using environmentally pro-active measures. The bill also includes a provision to reverse an IRS attempt to apply the self-employment tax on farmers' cash rental income.

Also included in the package is a provision to hold farmers harmless from the Alternative Minimum Tax when they use income averaging. When Congress passed income averaging for farmers a few years ago, it neglected to take into account the problem of running into the alternative minimum tax, which many farmers are facing now. This legislation will fix this growing problem.

It also contains an expansion of first-time farmer loans, or Aggie Bonds. This expands opportunities for beginning farmers who need low-interest rate loans for purchases of farmland and equipment. Current law permits state authorities to issue tax-exempt bonds and to lend the proceeds from the sale of the bonds to beginning farmers and ranchers to finance the cost of acquiring land, buildings and equipment used in a farm or ranch operation. Unfortunately, Aggie Bonds are subjected to a volume cap and must compete with big industrial projects for bond allocation. Aggie Bonds share few similarities to Industrial Revenue Bonds and should not be subjected to the volume cap established for IRBs. Insufficient allocation of funding due to the volume cap limits the effectiveness of this program.

Farmer co-op initiatives are also included. Recently the IRS determined that some cooperatives should be exposed to a regular corporate tax due to the fact that they are using organic value-added practices rather than manufactured value-added practices. The bill also would permit small cooperative producers of ethanol to receive the same tax benefits as large companies.

Another important provision provides tax relief for ranchers that are forced to sell their livestock on account of drought. The bill gives producers the time they need to reinvest proceeds tax-free when drought makes it impossible to feed their herds.

I look forward to working with my colleagues to enact this crucial piece of legislation.

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

S. 666. A bill to provide incentives to increase research by private sector entities to develop antivirals, antibiotics and other drugs, vaccines, microbicides, detection, and diagnostic technologies to prevent and treat illnesses associated with a biological, chemical, or radiological weapons attack; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, America has a major flaw in its defenses against bioterrorism. Hearings I chaired in the Government Affairs Committee on bioterrorism demonstrated that America has not made a national commitment to research and development of treatments and cures for those who might be exposed to or infected by a biological agent, chemical toxin, or radiological material. Correcting this critical gap is the purpose of legislation we are introducing today.

This legislation is a refined and upgraded version of legislation I introduced last year, S. 1764, December 4, 2001, and S. 3148, October 17, 2002, and I am delighted that Senator HATCH has joined me as the lead cosponsor of the new bill.

Obviously, our first priority must be to attempt to prevent the use of these agents and toxins by terrorists, quickly assess when an attack has occurred, take appropriate public health steps to contain the exposure, stop the spread of contagion, and then detoxify the site. These are all critical functions, but in the end we must recognize that some individuals may be exposed or infected. Then the critical issue is whether we can treat and cure them and prevent death and disability.

In short, we need a diversified portfolio of medicines. In cases where we have ample advance warning of an attack and specific information about the agent, toxin, or material, we may be able to vaccinate the vulnerable population in advance. In other cases, even if we have a vaccine, we might well prefer to use medicines that would quickly stop the progression of the disease or the toxic effects. We also need a powerful capacity quickly to develop new countermeasures where we face a new agent, toxin, or material.

Unfortunately, we are woefully short of vaccines and medicines to treat individuals who are exposed or infected. We have antibiotics that seem to work for most of those infected in the current anthrax attack, but these have not prevented five deaths. We have no effective vaccines or medicines for most other biological agents and chemical toxins we might confront. We have very limited capacity to respond medically to a radiological attack. In some cases we have vaccines to prevent, but no medicines to treat, an agent. We have limited capacity to speed the development of vaccines and medicines to prevent or treat novel agents and toxins not currently known to us.

We have provided, and should continue to provide, direct Federal funding for research and development of new

medicines, however, this funding is unlikely to be sufficient. Even with ample Federal funding, many private companies will be reluctant to enter into agreements with government agencies to conduct this research. Other companies would be willing to conduct the research with their own capital and at their own risk but are not able to secure the funding from investors.

The legislation we introduce today would provide incentives for private biotechnology companies to form capital to develop countermeasures—medicines—to prevent, treat and cure victims of bioterror, chemical and radiological attacks. This will enable this industry to become a vital part of the national defense infrastructure and do so for business reasons that make sense for their investors on the bottom line.

Enactment of these incentives is necessary because most biotech companies have no approved products or revenue from product sales to fund research. They rely on investors and equity capital markets to fund the research. They must necessarily focus on research that will lead to product sales and revenue and, thus, to an end to their dependence on investor capital. There is no established or predictable market for countermeasures. These concerns are shared by pharmaceutical firms. Investors are justifiably reluctant to fund this research, which will present challenges similar in complexity to AIDS. Investors need assurances that research on countermeasures has the potential to provide a rate of return commensurate with the risk, complexity and cost of the research, a rate of return comparable to that which may arise from a treatment for cancer, MS, Cystic Fibrosis and other major diseases.

It is in our national interest to enlist these companies in the development of countermeasures as biotech companies tend to be innovative and nimble and intently focused on the intractable diseases for which no effective medical treatments are available.

The incentives we have proposed are innovative and some may be controversial. We invite everyone who has an interest and a stake in this research to enter into a dialogue about the issue and about the nature and terms of the appropriate incentives. We have attempted to anticipate the many complicated technical and policy issues that this legislation raises. The key focus of our debate should be how, not whether, we address this critical gap in our public health infrastructure and the role that the private sector should play. Millions of Americans will be at risk if we fail to enact legislation to meet this need.

On November 26 of 2001, the Centers for Disease Control issued its interim working draft plan for responding to an outbreak of smallpox. The plan does not call for mass vaccination in advance of a smallpox outbreak because the risk of side effects from the vaccine outweighs the risks of someone actually being exposed to the smallpox virus. At the heart of the plan is a strategy sometimes called ''search and containment.''

This strategy involves identifying infected individual or individuals with confirmed smallpox, identifying and locating those people who come in contact with that person, and vaccinating those people in outward rings of contact. The goal is to produce a buffer of immune individuals and was shown to prevent smallpox and to ultimately eradicate the outbreak. Priorities would be set on who is vaccinated, perhaps focusing on the outward rings before those at the center of the outbreak. The plan assumes that the smallpox vaccination is effective for persons who have been exposed to the disease as long as the disease has not taken hold.

In practice it may be necessary to set a wide perimeter for these areas because smallpox is highly contagious before it might be diagnosed. There may be many areas subject to search and containment because people in our society travel frequently and widely. Terrorists might trigger attacks in a wide range of locations to multiply the confusion and panic. The most common form of smallpox has a 30 percent mortality rate, but terrorists might be able to obtain supplies of ''flat-type'' smallpox with a mortality rate of 96 percent and hemorrhagic-type smallpox, which is almost always fatal. For these reasons, the CDC plan accepts the possibility that whole cities or other geographic areas could be cordoned off, letting no one in or out—a quarantine enforced by police or troops.

The plan focuses on enforcement authority through police or National Guard, isolation and quarantine, mandatory medical examinations, and rationing of medicines. It includes a discussion of ''population-wide quarantine measures which restrict activities or limit movement of individuals [including] suspension of large public gatherings, closing of public places, restriction on travel [air, rail, water, motor vehicle, and pedestrian], and/or 'cordon sanitaire' [literally a 'sanitary cord' or line around a quarantined area guarded to prevent spread of disease by restricting passage into or out of the area].'' The CDC recommends that states update their laws to provide authority for ''enforcing quarantine measures'' and it recommends that States in ''pre-event planning'' identify ''personnel who can enforce these isolation and quarantine measures, if necessary.'' Guide C—Isolation and Quarantine, page 17.

On October 23, 2001, the CDC published a ''Model State Emergency Health Powers Act.'' It was prepared by the Center for Law and the Public's Health at Georgetown and Johns Hopkins Universities, in conjunction with the National Governors Association, National Conference of State Legislatures, Association of State and Territorial Health Officials, National Association of City and County Health Officers, and National Association of Attorneys General. A copy of the model law is printed at www.publichealthlaw.net. The law would provide powers to enforce the ''compulsory physical separation (including the restriction of movement or confinement) of individuals and/or groups believed to have been exposed to or known to have been infected with a contagious disease from individuals who are believed not to have been exposed or infected, in order to prevent or limit the transmission of the disease to others.'' Federal law on this subject is very strong and the Administration can always rely on the President's Constitution authority as Commander in Chief.

Let us try to imagine, however, what it would be like if a quarantine is imposed. Let us assume that there is not enough smallpox vaccine available for use in a large outbreak, that the priority is to vaccinate those in the outward rings of the containment area first, that the available vaccines cannot be quickly deployed inside the quarantined area, that it is not possible to quickly trace and identify all of the individuals who might have been exposed, and/or that public health workers themselves might be infected. We know that there is no medicine to treat those who do become infected. We know the mortality rates. It is not hard to imagine how much force might be necessary to enforce the quarantine. It would be quite unacceptable to permit individuals to leave the quarantined area no matter how much panic had taken hold.

Think about how different this scenario would be if we had medicines that could effectively treat and cure those who become infected by smallpox. We still might implement the CDC plan but a major element of the strategy would be to persuade people to visit their local clinic or hospital to be dispenses their supply of medicine. We could trust that there would be a very high degree of voluntary compliance. This would give us more time, give us options if the containment is not successful, give us options to treat those in the containment area who are infected, and enable us to quell the public panic.

Because we have no medicine to treat those infected by smallpox, we have to be prepared to implement a plan like the one CDC has proposed. Theirs is the only option because our options are so limited. We need to expand our range of options.

We should not be lulled by the apparent successes with Cipro and the strains of anthrax we have seen in the recent attacks. We have not been able to prevent death in some of the patients with late-stage inhalation anthrax and Robert Stevens, Thomas Morris Jr., Joseph Curseen, Kathy Nguyen, and Ottilie Lundgren died. This legislation is named in honor of

them. What we needed for them, and did not have, is a drug or vaccine that would treat late stage inhalation anthrax.

As I have said, we need an effective treatment for those who become infected with smallpox. We have a vaccine that effectively prevents smallpox infection, and administering this vaccine within four days of first exposure has been shown to offer some protections against acquiring infection and significant protection against a fatal outcome. The problem is that administering the vaccine in this time frame to all those who might have been exposed may be exceedingly difficult. And once infection has occurred, we have no effective treatment options.

In the last century 500 million people have died of smallpox—more than have from any other infectious diseases—as compared to 320 million deaths in all the wars of the twentieth century. Smallpox was one of the diseases that nearly wiped out the entire Native American population in this hemisphere. The last naturally acquired case of smallpox occurred in Somalia in 1977 and the last case from laboratory exposure was in 1978.

Smallpox is a nasty pathogen, carried in microscopic airborne droplets inhaled by its victims. The first signs are headache, fever, nausea and backache, sometimes convulsions and delirium. Soon, the skin turns scarlet. When the fever lets up, the telltale rash appears—flat red spots that turn into pimples, then big yellow pustules, then scabs. Smallpox also affects the throat and eyes, and inflames the heart, lungs, liver, intestines and other internal organs. Death often came from internal bleeding, or from the organs simply being overwhelmed by the virus. Survivors were left covered with pockmarks—if they were lucky. The unlucky ones were left blind, their eyes permanently clouded over. Nearly one in four victims died. The infection rate is estimated to be 25–40 percent for those who are unvaccinated and a single case can cause 20 or more additional infections.

During the 16th Century, 3.5 million Aztecs—more than half the population died of smallpox during a two-year span after the Spanish army brought the disease to Mexico. Two centuries later, the virus ravaged George Washington's troops at Valley Forge. And it cut a deadly path through the Crow, Dakota, Sioux, Blackfoot, Apache, Comanche and other American Indian tribes, helping to clear the way for white settlers to lay claim to the western plains. The epidemics began to subside with one of medicine's most famous discoveries: the finding by British physician Edward Jenner in 1796 that English milkmaids who were exposed to cowpox, a mild second cousin to smallpox that afflicts cattle, seemed to be protected against the more deadly disease. Jenner's work led to the development of the first vaccine in Western medicine. While later vaccines used either a killed or inactivated form of the virus they were intended to combat, the smallpox vaccine worked in a different way. It relied on a separate, albeit related virus: first cowpox and the vaccinia, a virus of mysterious origins that is believed to be a cowpox derivative. The last American was vaccinated back in the 1970s and half of the US population has never been vaccinated. It is not known how long these vaccines provide protection, but it is estimated that the term is 3 to 5 years.

In an elaborate smallpox biowarfare scenario enacted in February 1999 by the Johns Hopkins Center for Civilian Biodefense Studies, it was projected that within two months 15,000 people had died, epidemics were out of control in fourteen countries, all supplies of smallpox vaccine were depleted, the global economy was on the verge of collapse, and military control and quarantines were in place. Within twelve months it was projected that eighty million people worldwide had died.

A single case of smallpox today would become a global public health threat and it has been estimated that a single smallpox bioterror attack on a single American city would necessitate the vaccination of 30 to 40 million people.

The US government is now in the process of purchasing substantial stocks of the smallpox vaccine. We then face a very difficult decision on deploying the vaccine. We know that some individuals will have an adverse reaction to this vaccine. No one in the United States has been vaccinated against smallpox in twenty-five years. Those that were vaccinated back then may not be protected against the disease today. If we had an effective treatment for those who might become infected by smallpox, we would face much less pressure regarding deploying the vaccine. If we face a smallpox epidemic from a bioterrorism attack, we will have no Cipro to reassure the public and we will be facing a highly contagious disease and epidemic. To be blunt, it will make the current anthrax attack look benign by comparison.

Smallpox is not the only threat. We have seen other epidemics in this century. The 1918 influenza epidemic provides a sobering admonition about the need for research to develop medicines. In two years, a fifth of the world's population was infected. In the United States the 1918 epidemic killed more than 650,000 people in a short period of time and left 20 million seriously ill, one fourth of the entire population. The average lifespan in the US was depressed by ten years. In just one year, the epidemic killed 21 million human beings worldwide—well over twice the number of combat deaths in the whole of World War I. The flu was exceptionally virulent to begin with and it then underwent several sudden and dramatic mutations in its structure. Such mutations can turn flu into a killer because its victims' immune systems have no antibodies to fight off the altered virus. Fatal pneumonia can rapidly develop.

Another deadly toxin, ricin toxin, was of interest to the al-Qaeda terrorist network. At an al-Qaeda safehouse in Saraq Panza, Kabul reporters found instructions for making ricin. The instructions make chilling reading. ''A certain amount, equal to a strong dose, will be able to kill an adult, and a dose equal to seven seeds will kill a child,'' one page reads. Another page says: ''Gloves and face mask are essential for the preparation of ricin. Period of death varies from 3 to 5 days minimum, 4 to 14 days maximum.'' The instructions listed the symptoms of ricin as vomiting, stomach cramps, extreme thirst, bloody diarrhea, throat irritation, respiratory collapse and death.

No specific treatment or vaccine for ricin toxin exists. Ricin is produced easily and inexpensively, highly toxic, and stable in aerosolized form. A large amount of ricin is necessary to infect whole populations—the amount of ricin necessary to cover a 100-km^2 area and cause 50 percent lethality, assuming aerosol toxicity of 3 mcg/kg and optimum dispersal conditions, is approximately 4 metric tons, whereas only 1 kg of Bacillus anthracis is required. But it can be used to terrorize a large population with great effect because it is so lethal.

Use of ricin as a terror weapon is not theoretical. In 1991 in Minnesota, 4 members of the Patriots Council, an extremist group that held antigovernment and antitax ideals and advocated the overthrow of the US government, were arrested for plotting to kill a US marshal with ricin. The ricin was produced in a home laboratory. They planned to mix the ricin with the solvent dimethyl sulfoxide, DMSO, and then smear it on the door handles of the marshal's vehicle. The plan was discovered, and the 4 men were convicted. In 1995, a man entered Canada from Alaska on his way to North Carolina. Canadian custom officials stopped the man and found him in possession of several guns, $98,000, and a container of white powder, which was identified as ricin. In 1997, a man shot his stepson in the face. Investigators discovered a makeshift laboratory in his basement and found agents such as ricin and nicotine sulfate. And, ricin was used by the Bulgarian secret police when they killed Georgi Markov by stabbing him with a poison umbrella as he crossed Waterloo Bridge in 1978.

Going beyond smallpox, influenza, and ricin, we do not have an effective vaccine or treatment for dozens of other deadly and disabling agents and toxins. Here is a partial list of some of the other biological agents and chemical toxins for which we have no effective treatments: clostridium botulinum toxin, botulism, francisella tularensis, tularaemia, Ebola hemorrhagic fever, Marbug hemorrhagic fever, Lassa fever, Julin, Argentine

hemorrhagic fever, Coxiella burnetti, Q fever, brucella species, brucellosis, burkholderia mallei, glanders, Venezuelan encephalomyelitis, eastern and western equine encephalomyelitis, epsilon toxin of clostridium perfringens, staphylococcus entretoxin B, salmonella species, shigella dysenteriae, escherichia coli O157:H7, vibrio cholerae, cryptosporidium parvum, nipah virus, hantaviruses, tickborne hemorrhagic fever viruses, tickborne encephalitis virus, yellow fever, nerve agents, tabun, sarin, soman, GF, and VX, blood agents, hydrogen cyanide and cyanogens chloride, blister agents, lewisite, nitrogenadn sulfur mustards, and phosgene oxime, heavy metals, arsenic, lead, and mercury, and volatile toxins, benzene, chloroform, trihalomethanes, pulmonary agents, Phosgene, chlorine, vinly chloride, and incapacitating agents, BZ.

The naturally occurring forms of these agents and toxins are enough to cause concern, but we also know that during the 1980s and 1990s the Soviet Union conducted bioweapons research at forty-seven laboratories and testing sites, employed nearly fifty thousand scientists in the work, and that they developed genetically modified versions of some of these agents and toxins. The goal was to develop an agent or toxin that was particularly virulent or not vulnerable to available antibiotics.

The United States has publicly stated that five countries are developing biological weapons in violation of the Biological Weapons convention, North Korea, Iraq, Iran, Syria, and Libya, and stated that additional countries not yet named, possibly including Russia, China, Israel, Sudan and Egypt, are also doing so as well.

What is so insidious about biological weapons is that in many cases the symptoms resulting from a biological weapons attack would likely take time to develop, so an act of bioterrorism may go undetected for days or weeks. Affected individuals would seek medical attention not from special emergency response teams but in a variety of civilian settings at scattered locations. This means we will need medicines that can treat a late stage of the disease, long after the infection has taken hold.

We must recognize that the distinctive characteristic of biological weapons is that they are living micro-organisms and are thus the only weapons that can continue to proliferate without further assistance once released in a suitable environment.

The lethality of these agents and toxins, and the panic they can cause, is quite frightening. The capacity for terror is nearly beyond comprehension. We do not believe it is necessary to describe the facts here. Our point is simple: we need more than military intelligence, surveillance, and public health capacity. We also need effective medicines. We also need more powerful research tools that will enable us to quickly develop treatments for agents and toxins not on this or any other list.

We need to do whatever it takes to be able to reassure the American people that hospitals and doctors have powerful medicines to treat them if they are exposed to biological agents or toxins, that we can contain an outbreak of an infectious agent, and that there is little to fear. To achieve this objective, we need to rely on the entrepreneurship of the biotechnology industry.

In the summer of 200_, the Defense Science Board completed a study of the countermeasures we have available. It focused on countermeasures—diagnostics, vaccines, and drugs—for the top nineteen bioterror threats, and estimated what we have available today, what we might have available in five years and what we might have available in ten years.

If one assumes that we need diagnostics, vaccines, and drugs for all nineteen of these bioterror threats, we need fifty-seven countermeasures (19 times 3). It found that today we have only one of these fifty-seven countermeasures, a drug for Chlamydia psittaci. It found that in five years we might have twenty of the fifty-seven countermeasures and in ten years we might have thirty-four of the fifty-seven. These are optimistic assessments.

It set reasonable criteria for what constitutes an effective countermeasure. For diagnostics, it said that we are unprepared if our diagnostic takes more than 24 hours, requires confirmatory testing and the patient must be symptomatic. If said we are somewhat prepared if the diagnostic takes 12 to 24 hours, requires confirmatory testing, and works in some cases where the patient is asymptomatic. It said we are only truly prepared if the test takes less than 12 hours, requires no confirmatory testing, and detects the disease when the patient is asymptomatic. It found that we have no diagnostics today that meet the top standard and might have diagnostics for seventeen of the nineteen terror threats in five years and eighteen of the nineteen in ten years.

For vaccines it found that we are unprepared if we have no vaccine. We are partially prepared if we have a vaccine but have production or use limitations. And we are fully prepared if we have a vaccine generally available. It found that we have no vaccines today that meet the top standard and might have vaccines for two of the terror threats in five years and nine in ten years.

For therapeutics it found that we are unprepared if we have no approved treatment. We are partially prepared if we have a treatment available but have production or use limitations. And we are fully prepared if we have a treatment available. It found that we have one treatment that meets the top standard and might have treatments for the same agent in five years and seven treatments in ten years.

Obviously, we are woefully unprepared. The Defense Science Board only focused on the top nineteen threats, and there are many others for which we are also unprepared.

My proposal would supplement direct Federal Government funding of research with incentives that make it possible for private companies to form the capital to conduct this research on their own initiative, utilizing their own capital, and at their own risk—all for good business reasons going to their bottom line.

The U.S. biotechnology industry, approximately 1,300 companies, spent $13.8 billion on research last year. Only 350 of these companies have managed to go public. The industry employs 124,000, Ernest & Young data, people. The top five companies spent an average of $89,000 per employee on research, making it the most research-intensive industry in the world. The industry has 350 products in human clinical trials targeting more than 200 diseases. Losses for the industry were $5.8 billion in 2001, $5.6 billion in 2000, $4.4 billion in 1999, $4.1 billion in 1998, $4.5 billion in 1997, $4.6 billion in 1996, and similar amounts before that. In 2000 fully 38 percent of the public biotech companies had less than 2 years of funding for their research. Only one quarter of the biotech companies in the United States are publicly traded and they tend to be the best funded.

There is a broad range of research that could be undertaken under this legislation. Vaccines could be developed to prevent infection or treat an infection from a bioterror attack. Broad-spectrum antibiotics are needed. Also, promising research has been undertaken on antitoxins that could neutralize the toxins that are released, for example, by anthrax. With anthrax it is the toxins, not the bacteria itself, that cause death. An antitoxin could act like a decoy, attaching itself to sites on cells where active anthrax toxin binds and then combining with normal active forms of the toxin and inactivating them. An antitoxin could block the production of the toxin.

We can rely on the innovativeness of the biotech industry, working in collaboration with academic medical centers, to explore a broad range of innovative approaches. This mobilizes the entire biotechnology industry as a vital component of our national defense against bioterror weapons.

The legislation takes a comprehensive approach to the challenges the biotechnology industry faces in forming capital to conduct research on countermeasures. It includes capital formation tax incentives, guaranteed purchase funds, patent protections, and liability protections. We believe we will have to include each of these types of incentives to ensure that we mobilize the biotechnology industry for this urgent national defense research.

Some of the tax incentives in this legislation, and both of the two patent incentives I have proposed, may be controversial. In our view, we can debate tax or patent policy as long as you

want, but let's not lose track of the issue here—development of countermeasures to treat people infected or exposed to lethal and disabling bioterror weapons.

We know that incentives can spur research. In 1983 we enacted the Orphan Drug Act to provide incentives for companies to develop treatments for rare diseases with small potential markets deemed to be unprofitable by the industry. In the decade before this legislation was enacted, fewer than 10 drugs for orphan diseases were developed and these were mostly chance discoveries. Since the Act became law, 218 orphan drugs have been approved and 800 more are in the pipeline. The Act provides 7 years of market exclusivity and a tax credit covering some research costs. The effectiveness of the incentives we have enacted for orphan disease research show us how much we can accomplish when we set a national priority for certain types of research.

The incentives we have proposed differ from those set by the Orphan Drug Act. We need to maintain the effectiveness of the Orphan Drug Act and not undermine it by adding many other disease research targets. In addition, the tax credits for research for orphan drug research have no value for most biotechnology companies because few of them have tax liability with respect to which to claim the credit. This explains why we have not proposed to utilize tax credits to spur countermeasures research. It is also clear that the market for countermeasures is even more speculative than the market for orphan drugs and we need to enact a broader and deeper package of incentives.

The government determines which research is covered by the legislation and which companies qualify for the incentives for this research. No company is entitled to utilize the incentives until the government certifies its eligibility.

These decisions are vested in the Secretary, Department of Homeland Security. In S. 1764, the decisions were vested in the White House Office of Homeland Security, but it is now likely that a Department will be created. I have strongly endorsed that concept and led the effort to enact the legislation forming the new Department.

The legislation confers on the Secretary, in consultation with the Secretary of Defense and Secretary of Health and Human Services, authority to set the list of agents and toxins with respect to which the legislation and incentives applies.

The Secretary determines which agents and toxins present a threat and whether the countermeasures are ''more likely'' to be developed with the application of the incentives in the legislation. The Secretary may determine that an agent or toxin does not present a threat or that countermeasures are not more likely to be developed with the incentives. It may determine that the government itself should fund the research and development effort and not rely on private companies. The Department is required to consider the status of existing research, the availability of non-countermeasure markets for the research, and the most effective strategy for ensuring that the research goes forward. The legislation includes an illustrative, non-binding list of fifty-four agents and toxins that might be included on the Secretary's list. The decisions of the Secretary are final and are not subject to judicial review.

The Department then must provide information to potential manufacturers of these countermeasures in sufficient detail to permit them to conduct the research and determine when they have developed the needed countermeasure. It may exempt from publication such information as it deems to be sensitive.

The Department also must specify the government market that will be available when a countermeasure is successfully developed, including the minimum number of dosages that will be purchased, the minimum price per dose, and the timing and number of years projected for such purchases. Authority is provided for the Department to make advance, partial, progress, milestone, or other payments to the manufacturers.

The Department is responsible for determining when a manufacturer has, in fact, successfully developed the needed countermeasure. It must provide information in sufficient detail so that manufacturers and the government may determine when the manufacturer has successfully developed the countermeasure the government needs. If and when the manufacturer has successfully developed the countermeasure, it becomes entitled to the procurement, patent, and liability incentives in the legislation.

Once the list of agents and toxins is set, companies may register with the Department their intent to undertake research and development of a countermeasure to prevent or treat the agent or toxin. This registration is required only for companies that seek to be eligible for the tax, purchase, patent, and liability provisions of the legislation. The registration requirement gives the Department vital information about the research effort and the personnel involved with the research, authorizes inspections and other review of the research effort, and the filing of reports by the company.

The Secretary then may certify that the company is eligible for the tax, purchase, patent, and liability incentives in the legislation. It bases this certification on the qualifications of the company to conduct the countermeasure research. Eligibility for the purchase fund, patent and liability incentives is contingent on successful development of a countermeasure according to the standards set in the legislation, as determined by the Secretary.

The legislation contemplates that a company might well register and seek certification with respect to more than one research project and become eligible for the tax, purchase, patent, and liability incentives for each. There is no policy rationale for limiting a company to one registration and one certification.

This process is similar to the current registration process for research on orphan, rare, diseases. In that case, companies that are certified by the FDA become eligible for both tax and market exclusivity incentives. This process gives the government complete control on the number of registrations and certifications. This gives the government control over the cost and impact of the legislation on private sector research.

The registration and certification process applies to research to develop diagnostics and research tools, not just drugs and vaccines.

Diagnostics are vital because healthcare professionals need to know which agent or toxin has been used in an attack. This enables them to determine which treatment strategy is likely to be most effective. We need quickly to determine which individuals have been exposed or infected, and to separate them from the ''worried well.'' It is likely in an attack that large numbers of individuals who have not been exposed or infected will flood into healthcare facilities seeking treatment. We need to be able to focus on those individuals who are at risk and reassure those who are not at risk.

In terms of research tools, it is possible that we will face biological agents and chemical agents we have never seen before. As I've mentioned, the Soviet Union bioterror research focused in part on use of genetic modification technology to develop agents and toxins that currently-available antibiotics can not treat. Australian researchers accidentally created a modified mousepox virus, which does not affect humans, but it was 100 percent lethal to the mice. Their research focused on trying to make a mouse contraceptive vaccine for pest control. The surprise was that it totally suppressed the ''cell-mediated response''—the arm of the immune system that combats viral infection. To make matters worse, the engineered virus also appears unnaturally resistant to attempts to vaccinate the mice. A vaccine that would normally protect mouse strains that are susceptible to the virus only worked in half the mice exposed to the killer version. If bioterrorists created a human version of the virus, vaccination programs would be of limited use. This highlights the drawback of working on vaccines against bioweapons rather than treatments.

With the advances in gene sequencing—genomics—we will know the exact genetic structure of a biological agent. This information in the wrong hands could easily be manipulated to design and possibly grow a lethal new bacterial and viral strains not found in nature. A scientist might be able to mix

and match traits from different microorganisms—called recombinant technology—to take a gene that makes a deadly toxin from one strain of bacteria and introduce it into other bacterial strains. Dangerous pathogens or infectious agents could be made more deadly, and relatively benign agents could be designed as major public health problems. Bacteria that cause diseases such as anthrax could be altered in such a way that would make current vaccines or antibiotics against them ineffective. It is even possible that a scientist could develop an organism that develops resistance to antibiotics at an accelerated rate.

This means we need to develop technology—research tools—that will enable us to quickly develop a tailor-made, specific countermeasure to a previously unknown organism or agent. These research tools will enable us to develop a tailor-made vaccine or drug to deploy as a countermeasure against a new threat. The legislation authorizes companies to register and receive a certification making them eligible for the incentives in the bill for this vital research.

The legislation includes four tax incentives to enable biotechnology and pharmaceutical companies to form capital to fund research and development of countermeasures. Companies must irrevocably elect only one of the incentives with regard to the countermeasure research.

Four different tax incentives are available so that companies have flexibility in forming capital to fund the research. Each of the options comes with advantages and limitations that may make it appropriate or inappropriate for a given company or research project. We do not now know fully how investors and capital markets will respond to the different options, but we assume that companies will consult with the investor community about which option will work best for a given research project. Capital markets are diverse and investors have different needs and expectations. Over time these markets and investor expectations evolve. If companies register for more than one research project, they may well utilize different tax incentives for the different projects.

Companies are permitted to undertake a series of discrete and separate research projects and make this election with respect to each project. They may only utilize one of the options with respect to each of these research projects.

The first option is for the company to establish an R&D Limited Partnership to conduct the research. The partnership passes through all business deductions and credits to the partners. For example, under this arrangement, the research and development tax credits and depreciation deductions for the company may be passed by the corporation through to its partners to be used to offset their individual tax liability. These deductions and credits are then lost to the corporation. This alternative is available only to companies with less than $750,000,000 in paid-in capital.

The second option is for the company to issue a special class of stock for the entity to conduct the research. The investors would be entitled to a zero capital gains tax rate on any gains realized on the stock held for at least three years. This is a modification of the current Section 1202 where only 50 percent of the gains are not taxed. This provision is adapted from legislation I have introduced, S. 1134, and introduced in the House by Representatives DUNN and MATSUI, H.R. 2383. A similar bill has been introduced by Senator COLLINS, S. 455. This option also is available to small companies.

The third and fourth options grant special tax credits to the company for the research. The first credit is for research conducted by the company and the other for research conducted at a teaching hospital or similar institution. Tax credits are available to any company, but they only are useful to a company with tax liability against which to claim the credit. Very few biotechnology companies receive revenue from product sales and therefore have no tax liability. Companies with revenue may be able to fund the research from retained earnings rather than secure funding from investors.

A company that elects to utilize one of these incentives is not eligible to receive benefits of the Orphan Drug Tax Credit. Companies that can utilize tax credits—companies with taxable income and tax liability—might find the Orphan Credit more valuable. The legislation includes an amendment to the Orphan Credit to correct a defect in the current credit. The amendment has been introduced in the Senate as S. 1341 by Senators HATCH, KENNEDY and JEFFORDS. The amendment simply states that the Credit is available starting the day an application for orphan drug status is filed, not the date the FDA finally acts on it. The amendment was one of many initiatives championed by Lisa J. Raines, who died on September 11 in the plane that hit the Pentagon, and the amendment is named in her honor. As we go forward in the legislative process, I hope we will have an opportunity to speak in more detail about the service of Ms. Raines on behalf of medical research, particularly on rare diseases.

The guaranteed purchase fund, and the patent protections, and liability provisions described below provide an additional incentive for investors and companies to fund the research.

The market for countermeasures is speculative and small. This means that if a company successfully develops a countermeasure, it may not receive sufficient revenue on sales to justify the risk and expense of the research. This is why the legislation establishes a countermeasures purchase fund that will define the market for the products with some specificity before the research begins.

The Secretary will set standards for which countermeasures it will purchase and define the financial terms of the purchase commitment. This will enable companies to evaluate the market potential of its research before it launches into the project. The specifications will need to be set with sufficient specificity so that the company—and its investors—can evaluate the market and with enough flexibility so that it does not inhibit the innovativeness of the researchers. This approach is akin to setting a performance standard for a new military aircraft.

The legislation provides that the Secretary will determine whether the government will purchase more than one product per class. It might make sense—as an incentive—for the government to commit to purchasing more than one product so that many more than one company conducts the research. A winner-take-all system may well intimidate some companies and we may end up without a countermeasure to be purchased. It is also possible that we will find that we need more than one countermeasure because different products are useful for different patients. We may also find that the first product developed is not the most effective.

The purchase commitment for countermeasures is available to any company irrespective of its paid-in capital.

Intellectual property protection of research is essential to biotechnology and pharmaceutical companies for one simple reason: they need to know that if they successfully develop a medical product another company cannot expropriate it. It's a simple matter of incentives.

The patent system has its basis in the U.S. Constitution where the federal government is given the mandate to ''promote the Progress of Science and the Useful Arts by securing for a limited time to Authors and Inventors the exclusive right to their respective Writings and Discoveries.'' In exchange for full disclosure of the terms of their inventions, inventors are granted the right to exclude others from making, using, or selling their inventions for a limited period of time. This quid pro quo provides investors with the incentive to invent. In the absence of the patent law, discoverable inventions would be freely available to anyone who wanted to use them and inventors would not be able to capture the value of their inventions or secure a return on their investments.

The patent system strikes a balance. Companies receive limited protection of their inventions if they are willing to publish the terms of their invention for all to see. At the end of the term of the patent, anyone can practice the invention without any threat of an infringement action. During the term of the patent, competitors can learn from the published description of the invention and may well find a new and distinct patentable invention.

The legislation provides two types of intellectual property protection. The

first simply provides that the term of the patent on the countermeasure will be the term of the patent granted by the Patent and Trademark Office without any erosion due to delays in approval of the product by the Food and Drug Administration. The second provides that a company that successfully develops a countermeasure will receive a bonus of two years on the term of any patent held by that company. Companies must elect one of these two protections, but only small biotechnology companies may elect the second protection. Large, profitable pharmaceutical companies may elect only the first of the two options.

The first protection against erosion of the term of the patent is an issue that is partially addressed in current law, the Hatch-Waxman Patent Term Restoration Act. That act provides partial protection against erosion of the term, length, of a patent when there are delays at the FDA in approving a product. The erosion occurs when the PTO issues a patent before the product is approved by the FDA. In these cases, the term of the patent is running but the company cannot market the product. The Hatch-Waxman Act provides some protections against erosion of the term of the patent, but the protections are incomplete. As a result, many companies end up with a patent with a reduced term, sometimes substantially reduced.

The issue of patent term erosion has become more serious due to changes at the PTO in the patent system. The term of a patent used to be fixed at 17 years from the date the patent was granted by the PTO. It made no difference how long it took for the PTO to process the patent application and sometimes the processing took years, even decades. Under this system, there were cases where the patent would issue before final action at the FDA, but there were other cases where the FDA acted to approve a product before the patent was issued. Erosion was an issue, but it did not occur in many cases.

Since 1995 the term of a patent has been set at 20 years from the date of application for the patent. This means that the processing time by the PTO of the application all came while the term of the patent is running. This gives companies a profound incentive to rush the patent through the PTO. Under the old system, companies had the opposite incentive. With patents being issued earlier by the PTO, the issue of erosion of patent term due to delays at the FDA is becoming more serious and more common.

The provision in the legislation simply states that in the case of bioterrorism countermeasures, no erosion in the term of the patent will occur. The term of the patent at the date of FDA approval will be the same as the term of the patent when it was issued by the PTO. There is no extension of the patent, simply protections against erosion. Under the new 20 year term, patents might be more or less than 17 years depending on the processing time at the PTO, and all this legislation says is that whatever term is set by the PTO will govern irrespective of the delays at the FDA. This option is available to any company that successfully develops a countermeasure eligible to be purchased by the fund.

The second option, the bonus patent term, is only available to small companies with less than $750,000,000 in paid-in capital. It provides that a company that successfully develops a countermeasure is entitled to a two-year extension of any patent in its portfolio. This does not apply to any patent of another company bought or transferred in to the countermeasure research company.

I am well aware that this bonus patent term provision will be controversial with some. A company would tend to utilize this option if it owned the patent on a product that still had, or might have, market value at the end of the term of the patent. Because this option is only available to small biotechnology companies, most of whom have no product on the market, in most cases they would be speculating about the value of a product at the end of its patent. The company might apply this provision to a patent that otherwise would be eroded due to FDA delays or it might apply it to a patent that was not eroded. The result might be a patent term that is no longer than the patent term issued by the PTO. It all depends on which companies elect this option and which patent they select. In some cases, the effect of this provision might be to delay the entry onto the market of lower priced generics. This would tend to shift some of the cost of the incentive to develop a countermeasure to insurance companies and patients with an unrelated disease.

My rationale for including the patent bonus in the legislation is simple: I want this legislation to say emphatically that we mean business, we are serious, and we want biotechnology companies to reconfigure their research portfolios to focus in part on development of countermeasures. The other provisions in the legislation are powerful, but they may not be sufficient.

This proposal protects companies willing to take the risks of producing anti-terrorism products for the American public from potential losses incurred from lawsuits alleging adverse reactions to these products. It also preserves the right for plaintiffs to seek recourse for alleged adverse reactions in Federal District Court, with procedural and monetary limitations.

Under the plan, the Secretary of HHS is required to indemnify and defend entities engaged in qualified countermeasure research through execution of ''indemnification and defense agreements.'' This protection is only available for countermeasures purchased under the legislation or to use of such countermeasures as recommended by the Surgeon General in the event of a public health emergency.

The legislation contains a series of provisions designed to enhance countermeasure research.

The legislation provides for accelerated approval by the FDA of countermeasures developed under the legislation. In most cases, the products would clearly qualify for accelerated approval, but the legislation ensures that they will be reviewed under this process.

It provides a statutory basis for the FDA approving countermeasures where human clinical trials are not appropriate or ethical. Rules regarding such products have been promulgated by the FDA.

It grants a limited antitrust exemption for certain cooperative research and development of countermeasures.

It provides incentives for the construction of biologics manufacturing facilities and research to increase the efficiency of current biologics manufacturing facilities.

It enhances the synergy between our for-profit and not for profit biomedical research entities. The Bayh-Dole Act and Stevenson-Wydler Act form the legal framework for mutually beneficially partnerships between academia and industry. My legislation strengthens this synergy and these relationships with two provisions, one to upgrade the basic research infrastructure available to conduct research on countermeasures and the other to increase cooperation between the National Institutes of Health and private companies.

Research on countermeasures necessitates the use of special facilities where biological agents can be handled safely without exposing researchers and the public to danger. Very few academic institutions or private companies can justify or capitalize the construction of these special facilities. The Federal government can facilitate research and development of countermeasures by financing the construction of these facilities for use on a fee-for-service basis. The legislation authorizes appropriations for grants to non-profit and for-profit institutions to construct, maintain, and manage up to ten Biosafety Level 3–4 facilities, or their equivalent, in different regions of the country for use in research to develop countermeasures. BSL 3–4 facilities are ones used for research on indigenous, exotic or dangerous agents with potential for aerosol transmission of disease that may have serious or lethal consequences or where the agents pose high risk of life-threatening disease, aerosol-transmitted lab infections, or related agents with unknown risk of transmission. The Director of the Office and NIH shall issue regulations regarding the qualifications of the researchers who may utilize the facilities. Companies that have registered with and been certified by the Director—to develop countermeasures under Section 5 (d) of the legislation—shall

be given priority in the use of the facilities.

The legislation also reauthorizes a very successful NIH-industry partnership program launched in FY 2000 in Public Law 106–113. The funding is for partnership challenge grants to promote joint ventures between NIH and its grantees and for-profit biotechnology, pharmaceutical and medical device industries with regard to the development of countermeasures, as defined in Section 3 of the bill, and research tools, as defined in Section 4(d)(3) of the bill. Such grants shall be awarded on a one-for-one matching basis. So far the matching grants have focused on development of medicines to treat malaria, tuberculosis, emerging and resistant infections, and therapeutics for emerging threats. My proposal should be matched by reauthorization of the challenge grant program for these deadly diseases.

The legislation also sets incentives for the development of adjuvents to enhance the potency, and efficacy of antigens in responding to a biological agent.

It requires the new Department to issue annual reports on the effectiveness of this legislation and these incentives, and directs it to host an international conference each year on countermeasure research.

This legislation is carefully calibrated to provide incentives only where they are needed. This accounts for the choices in the legislation about which provisions are available to small biotechnology companies and large pharmaceutical companies.

The legislation makes choices. It sets the priorities. It provides a dose of incentives and seeks a response in the private sector. We are attempting here to do something that has not been done before. This is uncharted territory. And it also an urgent mission.

There may be cases where a countermeasure developed to treat a biological toxin or chemical agent will have applications beyond this use. A broad-spectrum antibiotic capable of treating many different biological agents may well have the capacity to treat naturally occurring diseases.

This same issue arises with the Orphan Drug Act, which provides both tax and FDA approval incentives for companies that develop medicines to treat rare diseases. In some cases these treatments can also be used for larger disease populations. There are few who object to this situation. We have come to the judgment that the urgency of this research is worth the possible additional benefits that might accrue to a company.

In the context of research to develop countermeasures, I do not consider it a problem that a company might find a broader commercial market for a countermeasure. Indeed, it may well be the combination of the incentives in this legislation and these broader markets that drives the successful development of a countermeasure. If our intense focus on developing countermeasures, and research tools, provides benefits for mankind going well beyond terror weapons, we should rejoice. If this research helps us to develop an effective vaccine or treatment for AIDS, we should give the company the Nobel Prize for Medicine. If we do not develop a vaccine or treatment for AIDS, we may see 100 million people die of AIDS. We also have 400 million people infected with malaria and more than a million annual deaths. Millions of children die of diarrhea, cholera and other deadly and disabling diseases. Countermeasures research may deepen our understanding of the immune system and speed development of treatments for cancer and autoimmune diseases. That is not the central purpose of this legislation, but it is an additional rationale for it.

The issue raised by my legislation is very simple: do we want the Federal government to fund and supervise much of the research to develop countermeasures or should we also provide incentives that make it possible for the private sector, at its own expense, and at its own risk, to undertake this research for good business reasons. The Frist-Kennedy law focuses effectively on direct Federal funding and coordination issues, but it does not include sufficient incentives for the private sector to undertake this research on its own initiative. That law and my legislation are perfectly complimentary. We need to enact both to ensure that we are prepared for bioterror attacks.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

BIOLOGICAL, CHEMICAL AND RADIOLOGICAL WEAPONS COUNTERMEASURES RESEARCH ACT OF 2003

SENATORS LIEBERMAN AND HATCH, CONGRESSMEN TOM DAVIS, CAL DOOLEY, CURT WELDON, AND NORM DICKS

The legislation proposes incentives that will enable biotechnology and pharmaceutical companies to take the initiative—for good business reasons—to conduct research to develop countermeasures, including diagnostics, therapeutics, and vaccines, to treat those who might be exposed to or infected by biological, chemical or radiological agents and materials in a terror attack.

The premise of this legislation is that direct government funding of this research is likely to be much more expensive and risky to the government and less likely to produce the countermeasures we need to defend America. Shifting some of the expense and risk of this research to entrepreneurial private sector firms is likely to be less expensive and much more likely to produce the countermeasures we need to protect ourselves in the event of an attack.

For biotechnology companies, incentives for capital formation are needed because most such companies have no approved products or revenue from product sales to fund research. They rely on investors and equity capital markets to fund the research. These companies must focus on research that will lead to product sales and revenue and end their dependence on investor capital. When they are able to form the capital to fund research, biotech companies tend to be innovative and nimble and focused on the intractable diseases for which no effective medical treatments are available. Special research credits for pharmaceutical companies are also needed.

For both biotech and pharmaceutical companies, there is no established or predictable market for these countermeasures. Investors and companies are justifiably reluctant to fund this research, which will present technical challenges similar in complexity to development of effective treatments for AIDS. Investors and companies need assurances that research on countermeasures has the potential to provide a rate of return commensurate with the risk complexity and cost of the research, a rate of return comparable to that which may arise from a treatment for cancer, MS, Cystic Fibrosis and other major diseases or from other investments.

President Bush's BioShield initiative is designed to establish and predictable market for these countermeasures. This legislation provides a template for implementation of BioShield and supplements it with additional incentives to ensure that the industry is enthusiastically engaged in this vital research.

The legislation provides tax incentives to enable companies to form capital to conduct the research and tax credits usable by larger companies with tax liability with respect to which to claim the credits. It provides a guaranteed and pre-determined market for the countermeasures and special intellectual property protections to serve as a substitute for a market. Finally, it establishes liability protections for the countermeasures that are developed.

Section 3 of the legislation is drafted as an amendment to the Homeland Security Act of 2002 (HSA)(P.L. 107–296). Section 2 sets forth findings and sections 4–9 are drafted as amendments to other statutes.

1. Setting Research Priorities (Section 1811 of HSA): The Department of Homeland Security sets the countermeasure research priorities in advance. It focuses the priorities on threats for which countermeasures are needed, and with regard to which the incentives make it ''more likely'' that the private sector will conduct the research to develop countermeasures. It is required to consider the status of existing research, the availability of non-countermeasure markets for the research, and the most effective strategy for ensuring that the research goes forward. The Department then provides information to potential manufacturers of these countermeasures in sufficient detail to permit them to conduct the research and determine when they have developed the needed countermeasure. The Department is responsible for determining when a manufacturer has, in fact, successfully developed the needed countermeasure.

2. Registration of Companies (Section 1812 of HSA): Biotechnology and pharmaceutical companies register with the Department to become eligible for the incentives in the legislation. They are obligated to provide reports to the Department as requested and be open to inspections. The Department certifies which companies are eligible for the incentives.

Once a company is certified as eligible for the incentives, it becomes eligible for the tax incentives for capital formation, and if it successfully develops a countermeasure that meets the specifications of the Department, it becomes eligible for the procurement, patent, and liability provisions.

3. Diagnostics (Sections 1813 and 1814 of HSA): The incentives apply to development of detection systems and diagnostics, as well as drugs, vaccines and other needed countermeasures.

4. Research Tools (Section 1815 of HSA): A company is also eligible for certification for the tax and patent provisions if it seeks to develop a research tool that will make it possible to quickly develop a countermeasure to a previously unknown agent or toxin, or an agent or toxin not targeted by the Department for research.

5. Capital Formation for Countermeasures Research (Section 1821 of HSA; also section 4 of the legislation): The legislation provides that a company seeking to fund research is eligible to elect from among four tax incentives. The companies are eligible to:

(a). Establish an R&D Limited Partnership to conduct the research. The partnership passes through all business deductions and credits to the partners.

(b). Issue a special class of stock for the entity to conduct the research. The investors would be entitled to a zero capital gains tax rate on any gains realized on the stock.

(c). Receive a special tax credit to help fund the research.

(d). Receive a special tax credit for research conducted at a non-profit and academic research institution.

A company must elect only one of these incentives and, if it elects one of these incentives, it is then not eligible to receive benefits under the Orphan Drug Act. The legislation includes amendments (Section 9 of this legislation) to the Orphan Drug Act championed by Senators Hatch, Kennedy and Jeffords (S. 1341). The amendments make the Credit available from the date of the application for Orphan Drug status, not the date the application is approved as provided under current law.

6. Countermeasure Purchase Fund (Section 1822 of HSA): The legislation provides that a company that successfully develops a countermeasure—through FDA approval—is eligible to sell the product to the Federal government at a pre-established price and in a predetermined amount. The company is given notice of the terms of the sale before it commences the research.

7. Intellectual Property Incentives (Section 1823 of HSA; also section 5 of this legislation): The legislation provides that a company that successfully develops a countermeasure is eligible to elect one of two patent incentives. The two alternatives are as follows:

(a). The company is eligible to receive a patent for its invention with a term as long as the term of the patent when it was issued by the Patent and Trademark Office, without any erosion due to delays in the FDA approval process. This alternative is available to any company that successfully develops a countermeasure irrespective of its paid-in capital.

(b). The company is eligible to extend the term of any patent owned by the company for two years. The patent may not be one that is acquired by the company from a third party. This is included as a capital formation incentive for small biotechnology companies with less than $750 million in paid-in capital, or, at the discretion of the Department of Homeland Security, to any firm that successfully develops a countermeasure.

In addition, a company that successfully develops a countermeasure is eligible for a 10-year period of market exclusivity on the countermeasure.

8. Indemnification Protections (Section 1824 of HAS; also Section 10 of the legislation): The legislation provides for indemnifications for liability for the company that successfully develops a countermeasure.

9. Accelerated Approval of Countermeasure (Section 1831 of HSA): The countermeasures are considered for approval by the FDA on a ''fast track'' basis.

10. Special Approval Standards (Section 6 of this legislation: The countermeasures may be approved in the absence of human clinical trails if such trails are impractical or unethical.

11. Limited Antitrust Exemption (Section 7 of this legislation): Companies are granted a limited exemption from the antitrust laws as they seek to expedite research on countermeasures.

12. Biologics Manufacturing Capacity and Efficiency (Section 1832 and 1833 of HSA; and section 8 of this legislation): Special incentives are incorporated to ensure that manufacturing capacity is available for countermeasures.

13. Strengthening of Biomedical Research Infrastructure (Section 1834 and 1835 of HSA): Authorizes appropriations for grants to construct specialized biosafety containment facilities where biological agents can be handled safely without exposing researchers and the public to danger (Section 216). Also reauthorizes a successful NIH-industry partnership challenge grants to promote joint ventures between NIH and its grantees and for-profit biotechnology, pharmaceutical and medical device industries with regard to the development of countermeasures and research tools (Section 217).

14. Annual Report (Section 1841 of HSA): The Department is required to prepare for the Congress an annual report on the implementation of these incentives.

15. International Conference (Section 1842 of HSA): The Department is required to organize an annual international conference on countermeasure research.

By Mr. GRASSLEY (for himself, Mr. HAGEL, Mr. DORGAN, Mr. JOHNSON, and Mr. DASCHLE):

S. 667. A bill to amend the Food Security Act of 1985 to strengthen payment limitations for commodity payments and benefits; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. GRASSLEY. Mr. President, the American people recognize the importance of the family farmer to our Nation, and the need to provide an adequate safety net for family farmers. In recent years, however, assistance to farmers has come under increasing scrutiny.

Critics of farm payments have argued that the largest corporate farms reap most of the benefits of these payments. The reality is, over 60 percent of the payments have gone to only 10 percent of our Nation's farmers.

What's more, farm payments that were originally designed to benefit small and medium-sized family farmers have contributed to their own demise. Unlimited farm payments have placed upward pressure on land prices and have contributed to overproduction and lower commodity prices, driving many family farmers off the farm.

The Senate agreed, by an overwhelming vote of 66 to 31, to a bipartisan amendment sponsored by Senators DORGAN and myself to target federal assistance to small and medium-sized family farmers. The amendment would have limited direct and countercyclical payments to $75,000. It would have limited gains from marketing loans and LDPs to $150,000, and generic certificates would have been included in this limit. That would have limited farm payments to a combined total of $275,000.

That amendment was critical to family farmers in Iowa. I feel strongly the farm bill failed Iowa when it failed to effectively address the issue of payment limitations. This is our chance to remedy the problem.

This bi-partisan legislation provides a limit of $40,000 for direct payments, $60,000 for counter-cyclical pavement, and $175,000 for LDPs and marketing loan gains. The combined limit is $275,000.

I urge my colleagues to support this bi-partisan legislation and to encourage the development of reasonable, legitimate payment limits.

I ask unanimous consent 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. 667

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

SECTION 1. PAYMENT LIMITATIONS.

Section 1001 of the Food Security of 1985 (7 U.S.C. 1308) is amended—

(1) in subsection (b)(1), by striking ''$40,000'' and inserting ''$20,000'';

(2) in subsection (c)(1), by striking ''$65,000'' and inserting ''$30,000'';

(3) by striking ''(d)'' and all that follows through the end of paragraph (1) and inserting the following:

''(d) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—

''(1) LOAN COMMODITIES.—The total amount of the following gains and payments that a person may receive during any crop year may not exceed $87,500:

''(A)(i) Any gain realized by a producer from repaying a marketing assistance loan for 1 or more loan commodities under subtitle B of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7931 et seq.) at a lower level than the original loan rate established for the loan commodity under that subtitle.

''(ii) In the case of settlement of a marketing assistance loan for 1 or more loan commodities under that subtitle by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

''(B) Any loan deficiency payments received for 1 or more loan commodities under that subtitle.

''(C) Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation for 1 or more loan commodities, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under that subtitle.''; and

(4) by adding at the end the following:

''(h) SINGLE FARMING OPERATION.—

''(1) IN GENERAL.—Notwithstanding subsections (b) through (d), subject to paragraph (2), if a person participates only in a single farming operation and receives, directly or indirectly, any payment or gain covered by this section through the operation, the total amount of payments or gains (as applicable) covered by this section that the person may receive during any crop year may not exceed twice the applicable dollar amounts specified in subsections (b), (c), and (d).

''(2) INDIVIDUALS.—The total amount of payments or gains (as applicable) covered by this section that an individual person may receive during any crop year may not exceed $275,000.

''(i) SPOUSE EQUITY.—Notwithstanding subsections (b) through (d), except as provided in subsection (e)(2)(C)(i), if an individual and spouse are covered by subsection (e)(2)(C) and receive, directly or indirectly, any payment or gain covered by this section, the total amount of payments or gains (as applicable) covered by this section that the individual and spouse may jointly receive during any crop year may not exceed twice the applicable dollar amounts specified in subsections (b), (c), and (d).

''(j) REGULATIONS.—

''(1) IN GENERAL.—Not later than July 1, 2003, the Secretary shall promulgate regulations—

''(A) to ensure that total payments and gains described in this section made to or through joint operations or multiple entities under the primary control of a person, in combination with the payments and gains received directly by the person, shall not exceed twice the applicable dollar amounts specified in subsections (b), (c), and (d);

''(B) in the case of a person that in the aggregate owns, conducts farming operations, or provides custom farming services on land with respect to which the aggregate payments received by the person exceed the applicable dollar amounts specified in subsections (b), (c), and (d), to attribute all payments and gains made to the person on crops produced on the land to—

''(i) a person that rents land for a share of the crop that is less than the usual and customary rate, as determined by the Secretary;

''(ii) a person that provides custom farming services through arrangements under which—

''(I) all or part of the compensation for the services is at risk;

''(II) farm management services are provided by—

''(aa) the same person;

''(bb) an immediate family member; or

''(cc) an entity or individual that has a business relationship that is not an arm's length relationship, as determined by the Secretary; or

''(III) more than ⅔ of all payments received for custom farming services are received by—

''(aa) the same person;

''(bb) an immediate family member; or

''(cc) an entity or individual that has a business relationship that is not an arm's length relationship, as determined by the Secretary; or

''(iii) a person under such other arrangements as the Secretary determines are established to transfer payments from persons that would otherwise exceed the applicable dollar amounts specified in subsections (b), (c), and (d); and

''(C) to ensure that payments attributed under this section to a person other than the direct recipient shall also count toward the limit of the direct recipient.

''(2) PRIMARY CONTROL.—The regulations under paragraph (1) shall define 'primary control' to include a joint operation or multiple entity in which a person owns an interest that is greater than the total interests held by other persons that materially participate on a regular, substantial, and continuous basis in the management of the operation or entity.''.

SEC. 2. REGULATIONS.

(a) IN GENERAL.—The Secretary of Agriculture may promulgate such regulations as are necessary to implement this Act and the amendments made by this Act.

(b) PROCEDURE.—The promulgation of the regulations and administration of this Act and the amendments made by this Act shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

Mr. DORGAN. Mr. President, I rise today to co-sponsor a bill that imposes meaningful farm payment limitations.

A gentleman from Arkansas is the principal landlord of a 61,000-acre farm. Although he serves as president of a tractor dealership with sales over $30 million, this ''farmer'' received $38 million in farm subsidies over 5 years. Stories like these about corporate farmers who received millions of dollars in Federal agriculture payments undermine support for the real purpose of our farm program: to help family farmers.

What do I mean by family farmers? I am talking about people out there living in a rural community, trying to raise a family and trying to operate a family farm and trying to raise enough food to support themselves. They go to town and buy their supplies, keeping small town life not only viable, but also vibrant. I am talking about a network of food producers scattered across this country that represents, in my judgment, food security for our country.

And this goal of helping family farmers with a safety net in the form of farm program payments during tough times is something that has become much different over a long period of time. It is not the case that we are fighting over farm program payments for family farmers.

But regrettably, millions of dollars of farm payments are not going to small towns and family farms. They are going to big cities and corporate America. They are going to that millionaire farmer in Arkansas, to Ted Turner, and city dwellers who visit their farm twice a year. The biggest operations keep getting the bulk of the farm benefits while the small farmers are getting squeezed out of the rural areas. When this happens, the family farm operation can't compete with the larger enterprises because of the financial disadvantages.

My fear is that if we do not do something about this problem, the American people are going to push back on this issue and say, ''This is not why we are paying taxes. We really support family farms. We believe family farms are important for America. But we don't believe we are paying taxes so you can transfer money to the tune of millions, even hundreds of millions, to those who need it least and ought not be getting farm payments.''

So I am co-sponsoring this legislation. This bill would impose modest limits on the amount of farm payments that any farm operation can receive in one year. These limits would have virtually no impact on family farms and would strengthen our agriculture program by targeting the payments to these smaller operations.

Here are the limitations that my bill would impose: the bill would limit direct payments to producers to $40,000. Limits on counter-cyclical payments would be $60,000. The bill limits Marketing Loan Gains and Loan Deficiency Payments to $175,000. The overall limit for a farm is $275,000. The limits would save the Federal Government more than $1 billion over 10 years.

In times of budget deficits, government expenditures need to be targeted to those who need it most. Fortune 500 companies aren't the intended targets of farm legislation, family farmers are. Limiting farm payments to those who provide the food security of this country ought to be the farm policy of this country and this legislation is a step in that direction.

By Mr. REED (for himself, Mr. DODD, Mr. KENNEDY, and Mrs. MURRAY):

S. 668. A bill to amend the Child Care and Development Block Grant Act of 1990 to provide incentive grants to improve the quality of child care; to the Committee on Health, Education, Labor, and Pensions.

Mr. REED. Mr. President, I rise today to introduce the Child Care Quality Incentive Act of 2003.

This legislation seeks to address low child care payment or reimbursement rates. Payment rates determine the level at which States will reimburse child care providers who care for those low-income children who receive a subsidy.

Low payment rates directly affect the kind of care children get and whether families can find quality child care in their communities. Low payment rates mean limited parental access to quality child care.

Child care providers are also affected when rates are set below the market rate. Low payment rates force child care providers serving low-income children to cut corners in ways that lower the quality of child care such as reducing staff or decreasing salaries and benefits, eliminating professional development opportunities, and forgoing books and other literacy materials. Providers who avoid this route may simply not accept low-income children with subsidies or may even go out of business.

These dilemmas can be avoided if we help states set payment rates that keep pace with the marketplace.

Currently, the Child Care and Development Block Grant, CCDBG, requires States to ensure that their rates are sufficient to ''ensure equal access'' for eligible families to child care services comparable to those available to non-eligible families in the private market. CCDBG regulations require states to conduct market rate surveys every

other year, but there is no requirement for states to actually use the market rate surveys to set payment rates.

Unfortunately, more than half of the States do not make payment rates based on the 75th percentile, by which families could access care from 75 out of 100 local providers, of a current market survey.

The need for quality child care has never been greater, as our welfare reform policy directs more of our low-income families to find work and our educational policy demands more of our students and schools. Yet, States, due to severe budget crunches, are cutting back on rates and other quality initiatives and restricting eligibility for subsidies.

I am pleased to be joined by Senators DODD, KENNEDY, and MURRAY in once again introducing the Child Care Quality Incentive Act, which seeks to redouble our child care efforts and renew the child care partnership with the States by providing incentive funding to increase payment rates.

Our legislation establishes a new, mandatory pool of funding under the Child Care and Development Block Grant, CCDBG. This new funding, coupled with mandatory, current market rate surveys, will form the foundation for significant increases in state payment rates for the provision of quality child care.

We have received overwhelming support for this bill from the child care community, including endorsements from USA Child Care, Children's Defense Fund, Catholic Charities of USA, YMCA of USA, the National Child Care Association, and a host of organizations and agencies across the country.

Children are the hope of America, and they need the best of America. We cannot ask working families to choose between paying the rent, buying food, and being able to afford the quality care their children need. We've made a lot of progress in improving the health, safety, and well-being of children in this country. If we are serious about putting parents to work and protecting children, we must invest more in child care help for families.

This year, Congress is slated to reauthorize the Child Care and Development Block Grant. The time for action on rates is now. I urge my colleagues to join Senators DODD, KENNEDY, MURRAY, and me in this endeavor to improve the quality of child care by cosponsoring the Child Care Quality Incentive Act and working to include its provisions in the CCDBG reauthorization.

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

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

S. 668

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Care Quality Incentive Act of 2003''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) Recent research on early brain development reveals that much of a child's growth is determined by early learning and nurturing care. Research also shows that quality early care and education leads to increased cognitive abilities, positive classroom learning behavior, increased likelihood of long-term school success, and greater likelihood of long-term economic and social self-sufficiency.

(2) Each day an estimated 13,000,000 children, including 6,000,000 infants and toddlers, spend some part of their day in child care. However, a study in 4 States found that only 1 in 7 child care centers provide care that promotes healthy development, while 1 in 8 child care centers provide care that threatens the safety and health of children.

(3) Full-day child care can cost $4,000 to $12,000 per year.

(4) Although Federal assistance is available for child care, funding is severely limited. Even with Federal subsidies, many families cannot afford child care. For families with young children and a monthly income under $1,200, the cost of child care typically consumes 25 percent of their income.

(5) Payment (or reimbursement) rates, which determine the maximum the State will reimburse a child care provider for the care of a child who receives a subsidy, are too low to ensure that quality care is accessible to all families.

(6) Low payment rates directly affect the kind of care children get and whether families can find quality child care in their communities. In many instances, low payment rates force child care providers serving low-income children to cut corners in ways that impact the quality of care for the children, including reducing the number of staff, eliminating professional development opportunities, and cutting enriching educational activities and services.

(7) Children in low-quality child care are more likely to have delayed reading and language skills, and display more aggression toward other children and adults.

(8) Increased payment rates lead to higher quality child care as child care providers are able to attract and retain qualified staff, provide salary increases and professional training, maintain a safe and healthy environment, and purchase basic supplies, children's literature, and developmentally appropriate educational materials.

(b) PURPOSE.—The purpose of this Act is to improve the quality of, and access to, child care by increasing child care payment rates.

SEC. 3. PAYMENT RATES.

Section 658E(c)(4) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(4)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C);

(2) in subparagraph (A), by striking ''to comparable child care services'' and inserting ''to child care services that are comparable (in terms of quality and types of services provided) to child care services''; and

(3) by inserting after subparagraph (A) the following:

''(B) PAYMENT RATES.—

''(i) SURVEYS.—In order to provide the certification described in subparagraph (A), the State shall conduct statistically valid and reliable market rate surveys (that reflect variations in the cost of child care services by locality), in accordance with such methodology standards as the Secretary shall issue. The State shall conduct the surveys not less often than at 2-year intervals, and use the results of such surveys to implement, not later than 1 year after conducting each survey, payment rates described in subparagraph (A) that ensure equal access to comparable services as required by subparagraph (A).

''(ii) COST OF LIVING ADJUSTMENTS.—The State shall adjust the payment rates at intervals between such surveys to reflect increases in the cost of living, in such manner as the Secretary may specify.

''(iii) RATES FOR DIFFERENT AGES AND TYPES OF CARE.—The State shall ensure that the payment rates reflect variations in the cost of providing child care services for children of different ages and providing different types of care.

''(iv) PUBLIC DISSEMINATION.—The State shall, not later than 30 days after the completion of each survey described in clause (i), make the results of the survey widely available through public means, including posting the results on the Internet.''.

SEC. 4. INCENTIVE GRANTS TO IMPROVE THE QUALITY OF CHILD CARE.

(a) FUNDING.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

(1) by striking ''There'' and inserting the following:

''(a) AUTHORIZATION OF APPROPRIATIONS.—There'';

(2) in subsection (a), by inserting ''(other than section 658H)'' after ''this subchapter''; and

(3) by adding at the end the following:

''(b) APPROPRIATION OF FUNDS FOR GRANTS TO IMPROVE THE QUALITY OF CHILD CARE.—Out of any funds in the Treasury that are not otherwise appropriated, there is authorized to be appropriated and there is appropriated $500,000,000 for each of fiscal years 2004 through 2008, for the purpose of making grants under section 658H.''.

(b) USE OF BLOCK GRANT FUNDS.—Section 658E(c)(3) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)) is amended—

(1) in subparagraph (B), by striking ''under this subchapter'' and inserting ''under this subchapter (other than section 658B(b))''; and

(2) in subparagraph (D), by inserting ''(other than section 658H)'' after ''under this subchapter''.

(c) ESTABLISHMENT OF PROGRAM.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended by inserting ''(other than section 658H)'' after ''this subchapter''.

(d) GRANTS TO IMPROVE THE QUALITY OF CHILD CARE.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting after section 658G the following:

''SEC. 658H. GRANTS TO IMPROVE THE QUALITY OF CHILD CARE.

''(a) AUTHORITY.—

''(1) IN GENERAL.—The Secretary shall use the amount appropriated under section 658B(b) for a fiscal year to make grants to eligible States, and Indian tribes and tribal organizations, in accordance with this section.

''(2) ANNUAL PAYMENTS.—The Secretary shall make an annual payment for such a grant to each eligible State, and for Indian tribes and tribal organizations, out of the corresponding payment or allotment made under subsections (a), (b), and (e) of section 658O from the amount appropriated under section 658B(b).

''(b) ELIGIBLE STATES.—

''(1) IN GENERAL.—In this section, the term 'eligible State' means a State that—

''(A) has conducted a statistically valid survey of the market rates for child care services in the State within the 2 years preceding the date of the submission of an application under paragraph (2); and

''(B) submits an application in accordance with paragraph (2).

''(2) APPLICATION.—

''(A) IN GENERAL.—To be eligible to receive a grant under this section, a State shall submit an application to the Secretary at such time, in such manner, and accompanied by such information, in addition to the information required under subparagraph (B), as the Secretary may require.

''(B) INFORMATION REQUIRED.—Each application submitted for a grant under this section shall—

''(i) detail the methodology and results of the State market rates survey conducted pursuant to paragraph (1)(A);

''(ii) describe the State's plan to increase payment rates from the initial baseline determined under clause (i);

''(iii) describe how the State will increase payment rates in accordance with the market survey results, for all types of child care providers who provide services for which assistance is made available under this subchapter;

''(iv) describe how payment rates will be set to reflect the variations in the cost of providing care for children of different ages and different types of care;

''(v) describe how the State will prioritize increasing payment rates for—

''(I) care of higher-than-average quality, such as care by accredited providers or care that includes the provision of comprehensive services;

''(II) care for children with disabilities and children served by child protective services; or

''(III) care for children in communities served by local educational agencies that have been identified for improvement under section 1116(c)(3) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6316(c)(3));

''(vi) describe the State's plan to assure that the State will make the payments on a timely basis and follow the usual and customary market practices with regard to payment for child absentee days; and

''(vii) describe the State's plans for making the results of the survey widely available through public means.

''(3) CONTINUING ELIGIBILITY REQUIREMENT.—

''(A) SECOND AND SUBSEQUENT PAYMENTS.—A State shall be eligible to receive a second or subsequent annual payment under this section only if the Secretary determines that the State has made progress, through the activities assisted under this subchapter, in maintaining increased payment rates.

''(B) THIRD AND SUBSEQUENT PAYMENTS.—A State shall be eligible to receive a third or subsequent annual payment under this section only if the State has conducted, at least once every 2 years, an update of the survey described in paragraph (1)(A).

''(4) REQUIREMENT OF MATCHING FUNDS.—

''(A) IN GENERAL.—To be eligible to receive a grant under this section, the State shall agree to make available State contributions from State sources toward the costs of the activities to be carried out by the State pursuant to subsection (c) in an amount that is not less than 20 percent of such costs.

''(B) DETERMINATION OF STATE CONTRIBUTIONS.—Such State contributions shall be in cash. Amounts provided by the Federal Government may not be included in determining the amount of such State contributions.

''(c) USE OF FUNDS.—

''(1) PRIORITY USE.—An eligible State that receives a grant under this section shall use the funds received to significantly increase the payment rate for the provision of child care assistance in accordance with this subchapter up to the 100th percentile of the market rate determined under the market rate survey described in subsection (b)(1)(A).

''(2) ADDITIONAL USES.—An eligible State that demonstrates to the Secretary that the State has achieved a payment rate of the 100th percentile of the market rate determined under the market rate survey described in subsection (b)(1)(A) may use funds received under a grant made under this section for any other activity that the State demonstrates to the Secretary will enhance the quality of child care services provided in the State.

''(3) SUPPLEMENT NOT SUPPLANT.—Amounts paid to a State under this section shall be used to supplement and not supplant other Federal, State, or local funds provided to the State under this subchapter or any other provision of law.

''(d) EVALUATIONS AND REPORTS.—

''(1) STATE EVALUATIONS.—Each eligible State shall submit to the Secretary, at such time and in such form and manner as the Secretary may require, information regarding the State's efforts to increase payment rates and the impact increased payment rates are having on the quality of child care in the State and the access of parents to high-quality child care in the State.

''(2) REPORTS TO CONGRESS.—The Secretary shall submit biennial reports to Congress on the information described in paragraph (1). Such reports shall include data from the applications submitted under subsection (b)(2) as a baseline for determining the progress of each eligible State in maintaining increased payment rates.

''(e) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—The Secretary shall determine the manner in which and the extent to which the provisions of this section apply to Indian tribes and tribal organizations.

''(f) PAYMENT RATE.—In this section, the term 'payment rate' means the rate of reimbursement to providers for subsidized child care.''.

(e) PAYMENTS.—Section 658J(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h(a)) is amended by inserting ''from funds appropriated under section 658B(a)'' after ''section 658O''.

(f) ALLOTMENT.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (b)(1), in the matter preceding subparagraph (A)—

(A) by striking ''section 658B'' and inserting ''section 658B(a)''; and

(B) by inserting ''and from the amounts appropriated under section 658B(b) for each fiscal year remaining after reservations under subsection (a),'' before ''the Secretary shall allot''; and

(2) in subsection (e)—

(A) in paragraph (1), by striking ''the allotment under subsection (b)'' and inserting ''an allotment made under subsection (b)''; and

(B) in paragraph (3), by inserting ''corresponding'' before ''allotment''.

SUBMITTED RESOLUTIONS

SENATE CONCURRENT RESOLUTION 24—CONCERNING A JOINT MEETING OF CONGRESS AND THE CULMINATING YEAR OF THE COMMEMORATION OF THE 50TH ANNIVERSARY OF THE KOREAN WAR

Mr. CAMPBELL submitted the following concurrent resolution; which was referred to the Committee on the Judiciary

Whereas, 50 years ago, nearly 1,800,000 Americans answered the call to defend freedom in South Korea and fought the common foe of communism with 21 allied countries under the banner of the United Nations;

Whereas the United States suffered casualties of 36,577 killed, 103,284 wounded, and 8,166 still missing in action during the Korean War in some of the most horrific conditions in the history of warfare;

Whereas 2003 marks the final year of the United States' 50th Anniversary of the Korean War Commemoration;

Whereas our Korean War veterans did not receive the proper welcome home, thanks, or recognition for selfless service and sacrifice that had been given to veterans of previous wars;

Whereas the bravery and sacrifices of our Korean War veterans and their families and next of kin should be properly honored and recognized, and the American people wish to join in thanking and honoring Korean War veterans and their families;

Whereas it is important to include the history of the Korean War in the curricula of our schools so that future generations will learn about and appreciate the sacrifices of our Korean War heroes; and

Whereas the final year of the 50th Anniversary of the Korean War Commemoration should be recognized by a national effort of programs and activities to officially thank, honor, and welcome home our Korean War veterans, and to officially thank and honor their families and next of kin: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) shall assemble in the Chamber of the House of Representatives on [____] for the purpose of declaring to the Nation and the world that the American people will never forget our veterans or those who served our Nation on the home front during the Korean War;

(2) designates 2003 as the Year of the Korean War Veteran;

(3) requests the President to issue a proclamation calling on the people of the United States to observe 2003 with appropriate ceremonies and activities to thank, honor, and welcome home our Korean War veterans; and

(4) urges the chief executives of the States, and the chief executives of the political subdivisions of the States, to issue a proclamation calling upon the citizens of such State or political subdivision to ''Pause to Remember'' our Korean War veterans and their families and next of kin with appropriate ceremonies and activities.

Mr. CAMPBELL. Mr. President, today I rise to call attention to an important milestone in our national history. Fifty-three years ago, armed forces from communist North Korea stormed across the 38th Parallel and brutally invaded South Korea. For the first time in history, a coalition of 21 nations' forces—most of them Americans—rallied under the aegis of the United Nations to join the South Korean Forces in staving off the communist challenge.

In the end, these heroes, fighting courageously under some of the most horrific conditions in the history of warfare, prevailed against the invading forces.

An Armistice ending the hostilities in Korea and forever halting the spread of international communism was signed fifty years ago on 27 July 1953.

During the Korean War approximately 1.8 million Americans fought in

places like the Naktong Bulge, the Pusan perimeter, Inchon, Kunu-ri, the ''Frozen Chosin'', Pork Chop Hill and Heartbreak Ridge.

Nearly 37,000 Americans lost their lives, over 100,000 were wounded, and more than 8,000 were taken prisoner or went missing in action. Some 50 years later, approximately 8166 Americans remain missing in action from the Korean War.

Today, as we face the challenges of a new pending war and international terrorism we look with pride and respect to our Korean War veterans for their example of absolute dedication and sacrifice to the defense of freedom. Our Korean War veterans faced formidable odds and endured harsh and inhumane conditions in furthering our Nation's proud heritage of honor and valor in the face of overwhelming adversity.

As the United States marks the fiftieth Anniversary of the signing of the Armistice that ended the hostilities in South Korea, all Americans must ''Pause to Remember'' our Korean War veterans and their families and next of kin.

We thank and honor all Korean War veterans with hearts filled with pride. Today, the Republic of Korea stands as a proud testament to the sacrifices of 1.8 million Americans. Today, South Koreans enjoy a thriving economy and taste the fruits of a marvelous democracy. During the year 2003, let all Americans thank and honor our Korean War veterans for serving Freedom and Democracy with such distinction and valor.

AMENDMENTS SUBMITTED AND PROPOSED

SA 275. Mr. ROCKEFELLER (for himself, Ms. COLLINS, Mr. NELSON of Nebraska, Mr. SMITH, Mr. SCHUMER, Mr. EDWARDS, Mrs. CLINTON, Mrs. HUTCHISON, Mr. BINGAMAN, Mr. CORZINE, Ms. MIKULSKI, Mr. KOHL, Mr. KERRY, Mr. SARBANES, Mrs. MURRAY, Ms. CANTWELL, Mr. DEWINE, and Mr. COLEMAN) proposed an amendment to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013.

SA 276. Mr. SARBANES (for himself, Mr. JEFFORDS, Ms. MIKULSKI, and Mr. GRAHAM of Florida) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 277. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 278. Mr. BIDEN (for himself, Mr. SCHUMER, Mrs. CLINTON, Mr. KERRY, Mr. ROCKEFELLER, Mr. SARBANES, Mr. JOHNSON, Mr. LAUTENBERG, Mr. DAYTON, Mr. LIEBERMAN, Mr. LEAHY, Mrs. MURRAY, Mr. BAYH, Mr. CORZINE, Mr. BINGAMAN, Mr. PRYOR, Ms. CANTWELL, and Mr. KOHL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 279. Mr. NICKLES (for Mr. GRAHAM of South Carolina) proposed an amendment to the concurrent resolution S. Con. Res. 23, supra.

SA 280. Mr. LUGAR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 281. Mr. KERRY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 282. Mr. BROWNBACK (for himself, Mr. INHOFE, Mr. SANTORUM, Mr. CORNYN, Mr. SESSIONS, Mr. THOMAS, and Mr. GRAHAM of South Carolina) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 283. Mrs. FEINSTEIN (for herself, Mr. KYL, Mr. BINGAMAN, Mr. MCCAIN, and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 284. Mrs. MURRAY (for herself, Mr. KENNEDY, Mr. HARKIN, Mr. BINGAMAN, Mr. KERRY, Ms. MIKULSKI, Mr. JOHNSON, Mr. SARBANES, Mr. EDWARDS, Mrs. CLINTON, and Mr. DODD) proposed an amendment to the concurrent resolution S. Con. Res. 23, supra.

SA 285. Mr. SCHUMER (for himself, Mr. SMITH, and Mr. BIDEN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 286. Mr. SCHUMER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 287. Mr. SCHUMER (for himself and Ms. SNOWE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 288. Mr. KYL (for himself and Mr. SESSIONS) proposed an amendment to the concurrent resolution S. Con. Res. 23, supra.

SA 289. Mr. DODD (for himself, Mr. LAUTENBERG, and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 290. Mr. DODD (for himself and Mr. KERRY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 291. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 292. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 293. Mr. HATCH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 294. Mr. DORGAN (for himself, Mr. GRAHAM of Florida, and Ms. STABENOW) proposed an amendment to the concurrent resolution S. Con. Res. 23, supra.

SA 295. Mr. DORGAN (for himself, Mr. KERRY, and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 296. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

SA 297. Mr. DURBIN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 275. Mr. ROCKEFELLER (for himself, Ms. COLLINS, Mr. NELSON of Nebraska, Mr. SMITH, Mr. SCHUMER, Mr. EDWARDS, Mrs. CLINTON, Mrs. HUTCHISON, Mr. BINGAMAN, Mr. CORZINE, Ms. MIKULSKI, Mr. KOHL, Mr. KERRY, Mr. SARBANES, Mrs. MURRAY, Ms. CANTWELL, Mr. DEWINE, and Mr. COLEMAN) proposed an amendment to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 adn for fiscal years 2005 through 2013; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE CONCERNING STATE FISCAL RELIEF.

(a) FINDINGS.—The Senate makes the following findings:

(1) States are experiencing the most severe fiscal crisis since World War II.

(2) States are instituting severe cuts to a variety of vital programs such as health care, child care, education, and other essential services.

(3) According to the Kaiser Commission on Medicaid and the Uninsured, 49 States already have taken actions or plan to cut medicaid before or during the current fiscal year 2003. Medicaid budget proposals in many States would eliminate or curtail health benefits for eligible families and substantially reduce or freeze provider reimbursement rates.

(4) In 2002, at least 13 States reported decreased State investments in their child care assistance programs.

(5) According to a forthcoming analysis of 22 States, at least 1,700,000 people are now at risk of losing their health care coverage under cuts that have already been implemented or proposed.

(6) Fiscal relief would help avoid adding even more Americans to the ranks of the uninsured while preserving the safety net when it is most needed during an economic downturn.

(7) Curtailing the States' need to cut spending and increase taxes is essential for true economic growth.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the functional totals in this resolution assume that any legislation enacted to provide economic growth for the United States should include not less than $30,000,000,000 for State fiscal relief over the next 18 months (of which at least half should be provided through a temporary increase in the Federal medical assistance percentage (FMAP)).

SA 276. Mr. SARBANES (for himself, Mr. JEFFORDS, Ms. MIKULSKI, and Mr. GRAHAM of Florida) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 3 line 10, increase the amount by $150,000,000.

On page 3 line 11, increase the amount by $451,000,000.

On page 3 line 12, increase the amount by $903,000,000.

On page 3 line 13, increase the amount by $903,000,000.

On page 3 line 14, increase the amount by $451,000,000.

On page 4 line 1, increase the amount by $150,000,000.
On page 4 line 2, increase the amount by $451,000,000.
On page 4 line 3, increase the amount by $903,000,000.
On page 4 line 4, increase the amount by $903,000,000.
On page 4 line 5, increase the amount by $451,000,000.
On page 4 line 15, increase the amount by $3,009,000,000.
On page 5 line 5, increase the amount by $150,000,000.
On page 5 line 6, increase the amount by $451,000,000.
On page 5 line 7, increase the amount by $903,000,000.
On page 5 line 8, increase the amount by $903,000,000.
On page 5 line 9, increase the amount by $451,000,000.
On page 16 line 11, increase the amount by $3,009,000,000.
On page 16 line 12, increase the amount by $150,000,000.
On page 16 line 16, increase the amount by $451,000,000.
On page 16 line 20, increase the amount by $903,000,000.
On page 16 line 24, increase the amount by $903,000,000.
On page 17 line 3, increase the amount by $451,000,000.
On page 45 line 24, decrease the amount by $2,858,000,000.
On page 47 line 5, increase the amount by $3,009,000,000.
On page 47 line 6, increase the amount by $159,000,000.
On page 47 line 15, increase the amount by $451,000,000.

SA 277. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 3 line 10, increase the amount by $13,102,000,000.
On page 3 line 11, increase the amount by $8,650,000,000.
On page 3 line 12, increase the amount by $5,950,000,000.
On page 3 line 13, increase the amount by $2,702,000,000.
On page 3 line 14, increase the amount by $912,000,000.
On page 4 line 1, increase the amount by $13,102,000,000.
On page 4 line 2, increase the amount by $8,650,000,000.
On page 4 line 3, increase the amount by $5,950,000,000.
On page 4 line 4, increase the amount by $2,702,000,000.
On page 4 line 5, increase the amount by $912,000,000.
On page 4 line 15, increase the amount by $15,581,000,000.
On page 4 line 16, increase the amount by $409,000,000.
On page 4 line 17, decrease the amount by $654,000,000.
On page 4 line 18, decrease the amount by $825,000,000.
On page 4 line 19, decrease the amount by $920,000,000.
On page 4 line 20, decrease the amount by $988,000,000.
On page 4 line 21, decrease the amount by $1,048,000,000.
On page 4 line 22, decrease the amount by $1,106,000,000.
On page 4 line 23, decrease the amount by $1,166,000,000.
On page 4 line 24, decrease the amount by $1,228,000,000.
On page 5 line 5, increase the amount by $6,432,000,000.
On page 5 line 6, increase the amount by $3,916,000,000.
On page 5 line 7, increase the amount by $2,231,000,000.
On page 5 line 8, increase the amount by $526,000,000.
On page 5 line 9, decrease the amount by $464,000,000.
On page 5 line 10, decrease the amount by $988,000,000.
On page 5 line 11, decrease the amount by $1,048,000,000.
On page 5 line 12, decrease the amount by $1,106,000,000.
On page 5 line 13, decrease the amount by $1,166,000,000.
On page 5 line 14, decrease the amount by $1,228,000,000.
On page 5 line 18, increase the amount by $6,670,000,000.
On page 5 line 19, increase the amount by $4,734,000,000.
On page 5 line 20, increase the amount by $3,629,000,000.
On page 5 line 21, increase the amount by $2,176,000,000.
On page 5 line 22, increase the amount by $1,376,000,000.
On page 5 line 23, increase the amount by $988,000,000.
On page 5 line 24, increase the amount by $1,048,000,000.
On page 5 line 25, increase the amount by $1,106,000,000.
On page 6 line 1, increase the amount by $1,166,000,000.
On page 6 line 2, increase the amount by $1,228,000,000.
On page 6 line 6, decrease the amount by $6,670,000,000.
On page 6 line 7, decrease the amount by $11,404,000,000.
On page 6 line 8, decrease the amount by $15,032,000,000.
On page 6 line 8, decrease the amount by $17,208,000,000.
On page 6 line 10, decrease the amount by $18,584,000,000.
On page 6 line 11, decrease the amount by $19,573,000,000.
On page 6 line 12, decrease the amount by $20,620,000,000.
On page 6 line 13, decrease the amount by $21,726,000,000.
On page 6 line 14, decrease the amount by $22,892,000,000.
On page 6 line 15, decrease the amount by $24,120,000,000.
On page 6 line 19, decrease the amount by $6,670,000,000.
On page 6 line 20, decrease the amount by $11,404,000,000.
On page 6 line 21, decrease the amount by $15,032,000,000.
On page 6 line 22, decrease the amount by $17,208,000,000.
On page 6 line 23, decrease the amount by $18,584,000,000.
On page 6 line 24, decrease the amount by $19,573,000,000.
On page 6 line 25, decrease the amount by $20,620,000,000.
On page 7 line 1, decrease the amount by $21,726,000,000.
On page 7 line 2, decrease the amount by $22,892,000,000.
On page 7 line 3, decrease the amount by $24,120,000,000.
On page 21 line 23, increase the amount by $3,700,000.
On page 21 line 24, increase the amount by $1,316,000,000.
On page 22 line 3, increase the amount by $1,035,000,000.
On page 22 line 7, increase the amount by $775,000,000.
On page 22 line 11, increase the amount by $451,000,000.
On page 22 line 15, increase the amount by $81,000,000.
On page 23 line 19, increase the amount by $8,000,000,000.
On page 23 line 20, increase the amount by $3,775,000,000.
On page 23 line 24, increase the amount by $1,950,000,000.
On page 24 line 3, increase the amount by $750,000,000.
On page 24 line 7, increase the amount by $375,000,000.
On page 27 line 11, increase the amount by $3,000,000,000.
On page 27 line 12, increase the amount by $660,000,000.
On page 27 line 16, increase the amount by $1,140,000,000.
On page 27 line 20, increase the amount by $1,050,000,000.
On page 27 line 24, increase the amount by $150,000,000.
On page 36 line 15, increase the amount by $1,000,000,000.
On page 36 line 16, increase the amount by $800,000,000.
On page 36 line 20, increase the amount by $200,000,000.
On page 40 line 6, decrease the amount by $119,000,000.
On page 40 line 7, decrease the amount by $119,000,000.
On page 40 line 10, decrease the amount by $409,000,000.
On page 40 line 11, decrease the amount by $409,000,000.
On page 40 line 14, decrease the amount by $654,000,000.
On page 40 line 15, decrease the amount by $654,000,000.
On page 40 line 18, decrease the amount by $825,000,000.
On page 40 line 19, decrease the amount by $825,000,000.
On page 40 line 22, decrease the amount by $920,000,000.
On page 40 line 23, decrease the amount by $920,000,000.
On page 41 line 2, decrease the amount by $988,000,000.
On page 41 line 3, decrease the amount by $988,000,000.
On page 41 line 6, decrease the amount by $1,048,000,000.
On page 41 line 7, decrease the amount by $1,048,000,000.
On page 41 line 10, decrease the amount by $1,106,000,000.
On page 41 line 11, decrease the amount by $1,106,000,000.
On page 41 line 14, decrease the amount by $1,166,000,000.
On page 41 line 15, decrease the amount by $1,166,000,000.
On page 41 line 18, decrease the amount by $1,228,000,000.
On page 41 line 19, decrease the amount by $1,228,000,000.
On page 45 line 24, decrease the amount by $31,316,000,000.
On page 47 line 5, increase the amount by $15,700,000,000.
On page 47 line 6, increase the amount by $6,551,000,000.
On page 47 line 15, increase the amount by $4,325,000,000.

SA 278. Mr. BIDEN (for himself, Mr. SCHUMER, Mrs. CLINTON, Mr. KERRY, Mr. ROCKEFELLER, Mr. SARBANES, Mr.

JOHNSON, Mr. LAUTENBERG, Mr. DAYTON, Mr. LIEBERMAN, Mr. LEAHY, Mrs. MURRAY, Mr. BAYH, Mr. CORZINE, Mr. BINGAMAN, Mr. PRYOR, Ms. CANTWELL, and Mr. KOHL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 3, line 10, increase the amount by $240,000,000.

On page 3, line 11, increase the amount by $500,000,000.

On page 3, line 12, increase the amount by $500,000,000.

On page 3, line 13, increase the amount by $700,000,000.

On page 4, line 1, increase the amount by $240,000,000.

On page 4, line 2, increase the amount by $560,000,000.

On page 4, line 3, increase the amount by $500,000,000.

On page 4, line 4, increase the amount by $700,000,000.

On page 4, line 15, increase the amount by $988,000,000.

On page 4, line 16, decrease the amount by $13,000,000.

On page 4, line 17, decrease the amount by $28,000,000.

On page 4, line 18, decrease the amount by $46,000,000.

On page 4, line 19, decrease the amount by $46,000,000.

On page 4, line 20, decrease the amount by $36,000,000.

On page 4, line 21, decrease the amount by $38,000,000.

On page 4, line 22, decrease the amount by $41,000,000.

On page 4, line 23, decrease the amount by $43,000,000.

On page 4, line 24, decrease the amount by $45,000,000.

On page 5, line 5, increase the amount by $118,000,000.

On page 5, line 6, increase the amount by $267,000,000.

On page 5, line 7, increase the amount by $222,000,000.

On page 5, line 8, increase the amount by $304,000,000.

On page 5, line 9, increase the amount by $410,000,000.

On page 5, line 10, decrease the amount by $36,000,000.

On page 5, line 11, decrease the amount by $38,000,000.

On page 5, line 12, decrease the amount by $41,000,000.

On page 5, line 13, decrease the amount by $43,000,000.

On page 5, line 14, decrease the amount by $45,000,000.

On page 5, line 18, increase the amount by $122,000,000.

On page 5, line 19, increase the amount by $293,000,000.

On page 5, line 20, increase the amount by $278,000,000.

On page 5, line 21, increase the amount by $396,000,000.

On page 5, line 22, increase the amount by $410,000,000.

On page 5, line 23, increase the amount by $36,000,000.

On page 5, line 24, increase the amount by $38,000,000.

On page 5, line 25, increase the amount by $41,000,000.

On page 6, line 1, increase the amount by $43,000,000.

On page 6, line 2, increase the amount by $45,000,000.

On page 6, line 6, decrease the amount by $122,000,000.

On page 6, line 7, decrease the amount by $415,000,000.

On page 6, line 8, decrease the amount by $693,000,000.

On page 6, line 8, decrease the amount by $1,089,000,000.

On page 6, line 10, decrease the amount by $679,000,000.

On page 6, line 11, decrease the amount by $716,000,000.

On page 6, line 12, decrease the amount by $754,000,000.

On page 6, line 13, decrease the amount by $795,000,000.

On page 6, line 14, decrease the amount by $838,000,000.

On page 6, line 15, decrease the amount by $883,000,000.

On page 6, line 19, decrease the amount by $122,000,000.

On page 6, line 20, decrease the amount by $415,000,000.

On page 6, line 21, decrease the amount by $693,000,000.

On page 6, line 22, decrease the amount by $1,089,000,000.

On page 6, line 23, decrease the amount by $679,000,000.

On page 6, line 24, decrease the amount by $716,000,000.

On page 6, line 25, decrease the amount by $754,000,000.

On page 7, line 1, decrease the amount by $795,000,000.

On page 7, line 2, decrease the amount by $838,000,000.

On page 7, line 3, decrease the amount by $883,000,000.

On page 36, line 15, increase the amount by $1,000,000,000.

On page 36, line 16, increase the amount by $120,000,000.

On page 36, line 20, increase the amount by $280,000,000.

On page 36, line 24, increase the amount by $250,000,000.

On page 37, line 3, increase the amount by $350,000,000.

On page 40, line 6, decrease the amount by $2,000,000.

On page 40, line 7, decrease the amount by $2,000,000.

On page 40, line 10, decrease the amount by $13,000,000.

On page 40, line 11, decrease the amount by $13,000,000.

On page 40, line 14, decrease the amount by $28,000,000.

On page 40, line 15, decrease the amount by $28,000,000.

On page 40, line 18, decrease the amount by $46,000,000.

On page 40, line 19, decrease the amount by $46,000,000.

On page 40, line 22, decrease the amount by $46,000,000.

On page 40, line 23, decrease the amount by $46,000,000.

On page 41, line 2, decrease the amount by $36,000,000.

On page 41, line 3, decrease the amount by $36,000,000.

On page 41, line 6, decrease the amount by $38,000,000.

On page 41, line 7, decrease the amount by $38,000,000.

On page 41, line 10, decrease the amount by $41,000,000.

On page 41, line 11, decrease the amount by $41,000,000.

On page 41, line 14, decrease the amount by $43,000,000.

On page 41, line 15, decrease the amount by $43,000,000.

On page 41, line 18, decrease the amount by $45,000,000.

On page 41, line 19, decrease the amount by $45,000,000.

On page 45, line 24, decrease the amount by $2,000,000,000.

On page 47, line 5, increase the amount by $1,000,000,000.

On page 47, line 6, increase the amount by $120,000,000.

On page 47, line 15, increase the amount by $280,000,000.

On page 79, after line 22, add the following:

SEC. 308. FUNDING FOR DEPARTMENT OF JUSTICE COMMUNITY ORIENTED POLICING SERVICES PROGRAMS.

(a) FINDINGS.—The Senate finds that—

(1) State and local law enforcement officers provide essential services that preserve and protect our freedom and safety;

(2) with the support of the Community Oriented Policing Services program (referred to in this section as the ''COPS program''), State and local law enforcement officers have succeeded in dramatically reducing violent crime;

(3) the COPS program is the only program in the Federal government that provides homeland security resources directly to law enforcement first responders;

(4) on July 15, 2002, the Attorney General stated, ''Since law enforcement agencies began partnering with citizens through community policing, we've seen significant drops in crime rates. COPS provides resources that reflect our national priority of terrorism prevention.'';

(5) On February 26, 2002, the Attorney General stated, ''The COPS program has been a miraculous sort of success. It's one of those things that Congress hopes will happen when it sets up a program.'';

(6) the Federal Bureau of Investigation's Assistant Director for the Office of Law Enforcement Coordination has stated, ''The FBI fully understands that our success in the fight against terrorism is directly related to the strength of our relationship with our State and local partners.'';

(7) as a result of the COPS program, State and local law enforcement agencies have received funds for more than 117,000 officers, 87,300 of whom are on the beat, fighting crime, and improving the quality of life in our neighborhoods and schools;

(8) the COPS program has assisted in advancing community policing nationwide;

(9) 86 percent of the Nation is served by a law enforcement agency that has full-time officers engaged in community policing activities;

(10) the continuation and full funding of the COPS program through fiscal year 2009 is supported by several major law enforcement organizations, including—

(A) the International Association of Chiefs of Police;

(B) the International Brotherhood of Police Officers;

(C) the Fraternal Order of Police;

(D) the National Sheriffs' Association;

(E) the National Troopers Coalition;

(F) the Federal Law Enforcement Officers Association;

(G) the National Association of Police Organizations;

(H) the National Organization of Black Law Enforcement Executives;

(I) the Police Executive Research Forum; and

(J) the Major Cities Chiefs;

(11) several studies have concluded that the implementation of community policing as a law enforcement strategy is an important factor in the reduction of crime in our communities;

(12) Congress appropriated $1,050,000,000 for the COPS program for fiscal year 2002 and $928,900,000 for fiscal 2003; and

(13) the President requested $164,000,000 for the COPS program for fiscal year 2004, $886,000,000 less than the amount appropriated for fiscal year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this resolution assume that an increase of $1,000,000,000 for fiscal year 2004 for the Department of Justice's community oriented policing program will be provided without reduction and consistent with previous appropriated and authorized levels.

SA 279. Mr. NICKLES (for Mr. GRAHAM of South Carolina) proposed an amendment to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; as follows:

On page 79, after line 22, add the following:

SEC. 308. SOCIAL SECURITY RESTRUCTURING.

(a) FINDINGS.—The Senate finds that—

(1) Social Security is the foundation of retirement income for most Americans;

(2) preserving and strengthening the long term viability of Social Security is a vital national priority and is essential for the retirement security of today's working Americans, current and future retirees, and their families;

(3) Social Security faces significant fiscal and demographic pressures;

(4) the nonpartisan Office of the Chief Actuary at the Social Security Administration reports that—

(A) the number of workers paying taxes to support each Social Security beneficiary has dropped from 16.5 in 1950 to 3.3 in 2002;

(B) within a generation there will be only 2 workers to support each retiree, which will substantially increase the financial burden on American workers;

(C) the implementation of a Social Security ''lockbox'' would have no direct effect on the future solvency of Social Security;

(D) without structural reform, the Social Security system, beginning in 2018, will pay out more in benefits than it will collect in taxes;

(E) without structural reform, the Social Security system, by 2042, will be insolvent and unable to pay full benefits on time;

(F) without structural reform, Social Security tax revenue in 2042 will only cover 73 percent of promised benefits, and will decrease to 65 percent by 2077;

(G) without structural reform, payroll taxes will have to be raised 50 percent over the next 75 years to pay full benefits on time, resulting in payroll tax rates of 16.9 percent by 2042 and 18.9 percent by 2077;

(H) without structural reform, Social Security's total cash shortfall over the next 75 years is estimated to be more than $25,000,000,000,000 in constant 2003 dollars;

(I) without structural reform, real rates of return on Social Security contributions will continue to decline dramatically for all workers; and

(J) absent structural reforms, spending on Social Security will increase from 4.4 percent of gross domestic product in 2003 to 7.0 percent in 2077; and

(5) the Congressional Budget Office, the General Accounting Office, the Congressional Research Service, the Chairman of the Federal Reserve Board, and the President's Commission to Strengthen Social Security have all warned that failure to enact fiscally responsible Social Security reform quickly will result in 1 or more of the following:

(A) Higher tax rates.

(B) Lower Social Security benefit levels.

(C) Increased Federal debt.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the President and Congress should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system.

SA 280. Mr. LUGAR submitted an amendment intended to be proposed by him to the concurrent resolutions S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 10, line 23, increase the amount by $1,115,000,000.

On page 10, line 24, increase the amount by $675,000,000.

On page 11, line 2, increase the amount by $834,000,000.

On page 11, line 3, increase the amount by $830,000,000.

On page 11, line 6, increase the amount by $560,000,000.

On page 11, line 7, increase the amount by $641,000,000.

On page 11, line 10, increase the amount by $294,000,000.

On page 11, line 11, increase the amount by $392,000,000.

On page 11, line 14, increase the amount by $28,000,000.

On page 11, line 15, increase the amount by $130,000,000.

On page 11, line 18, decrease the amount by $242,000,000.

On page 11, line 19, decrease the amount by $130,000,000.

On page 11, line 22, decrease the amount by $505,000,000.

On page 11, line 23, decrease the amount by $397,000,000.

On page 12, line 2, decrease the amount by $767,000,000.

On page 12, line 3, decrease the amount by $656,000,000.

On page 12, line 6, decrease the amount by $1,034,000,000.

On page 12, line 7, decrease the amount by $924,000,000.

On page 12, line 10, decrease the amount by $1,298,000,000.

On page 12, line 11, decrease the amount by $1,188,000,000.

On page 42, line 2, decrease the amount by $1,115,000,000.

On page 42, line 3, decrease the amount by $657,000,000.

On page 42, line 6, decrease the amount by $834,000,000.

On page 42, line 7, decrease the amount by $830,000,000.

On page 42, line 10, decrease the amount by $560,000,000.

On page 42, line 11, decrease the amount by $641,000,000.

On page 42, line 14, decrease the amount by $294,000,000.

On page 42, line 15, decrease the amount by $392,000,000.

On page 42, line 18, decrease the amount by $28,000,000.

On page 42, line 19, decrease the amount by $130,000,000.

On page 42, line 22, increase the amount by $242,000,000.

On page 42, line 23, increase the amount by $130,000,000.

On page 43, line 2, increase the amount by $505,000,000.

On page 43, line 3, increase the amount by $397,000,000.

On page 43, line 6, increase the amount by $767,000,000.

On page 43, line 7, increase the amount by $656,000,000.

On page 43, line 10, increase the amount by $1,034,000,000.

On page 43, line 11, increase the amount by $924,000,000.

On page 43, line 14, increase the amount by $924,000,000.

On page 43, line 15, increase the amount by $1,188,000,000.

SA 281. Mr. KERRY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

Federal Revenues:

On page 3, line 10, increase the amount by $376,000,000.

On page 3, line 11, increase the amount by $808,000,000.

On page 3, line 12, increase the amount by $230,000,000.

On page 3, line 13, increase the amount by $102,000,000.

On page 3, line 14, increase the amount by $48,000,000.

On page 3, line 15, increase the amount by $15,000,000.

On page 3, line 16, increase the amount by $7,000,000.

On page 3, line 17, increase the amount by $3,000,000.

On page 3, line 18, increase the amount by $2,000,000.

On page 3, line 19, increase the amount by $1,000,000.

Change in Revenue:

On page 4, line 1, increase the amount by $376,000,000.

On page 4, line 2, increase the amount by $808,000,000.

On page 4, line 3, increase the amount by $230,000,000.

On page 4, line 4, increase the amount by $102,000,000.

On page 4, line 5, increase the amount by $48,000,000.

On page 4, line 6, increase the amount by $15,000,000.

On page 4, line 7, increase the amount by $7,000,000.

On page 4, line 8, increase the amount by $3,000,000.

On page 4, line 9, increase the amount by $2,000,000.

On page 4, line 10, increase the amount by $1,000,000.

New Budget Authority

On page 4, line 15, decrease the amount by $797,000,000.

On page 4, line 16, decrease the amount by $19,000,000.

On page 4, line 17, decrease the amount by $35,000,000.

On page 4, line 18, decrease the amount by $42,000,000.

On page 4, line 19, decrease the amount by $46,000,000.

On page 4, line 20, decrease the amount by $50,000,000.

On page 4, line 21, decrease the amount by $53,000,000.

On page 4, line 22, decrease the amount by $56,000,000.

On page 4, line 23, decrease the amount by $59,000,000.
On page 4, line 24, decrease the amount by $62,000,000.
Budget Outlays
On page 5, line 5, increase the amount by $185,000,000.
On page 5, line 6, increase the amount by $385,000,000.
On page 5, line 7, increase the amount by $80,000,000.
On page 5, line 8, increase the amount by $9,000,000.
On page 5, line 9, decrease the amount by $22,000,000.
On page 5, line 10, decrease the amount by $42,000,000.
On page 5, line 11, decrease the amount by $49,000,000.
On page 5, line 12, decrease the amount by $54,000,000.
On page 5, line 13, decrease the amount by $58,000,000.
On page 5, line 14, decrease the amount by $62,000,000.
On page 5, line 18, increase the amount by $191,000,000.
On page 5, line 19, increase the amount by $423,000,000.
On page 5, line 20, increase the amount by $149,000,000.
On page 5, line 21, increase the amount by $92,000,000.
On page 5, line 22, increase the amount by $70,000,000.
On page 5, line 23, increase the amount by $57,000,000.
On page 5, line 24, increase the amount by $57,000,000.
On page 5, line 25, increase the amount by $58,000,000.
On page 6, line 1, increase the amount by $60,000,000.
On page 6, line 2, increase the amount by $63,000,000.
On page 6, line 6, decrease the amount by $191,000,000.
On page 6, line 7, decrease the amount by $614,000,000.
On page 6, line 8, decrease the amount by $764,000,000.
On page 6, line 9, decrease the amount by $856,000,000.
On page 6, line 10, decrease the amount by $927,000,000.
On page 6, line 11, decrease the amount by $984,000,000.
On page 6, line 12, decrease the amount by $1,040,000,000.
On page 6, line 13, decrease the amount by $1,098,000,000.
On page 6, line 14, decrease the amount by $1,158,000,000.
On page 6, line 15, increase the amount by $1,221,000,000.
Debt Held By Public
On page 6, line 19, increase the amount by $191,000,000.
On page 6, line 20, increase the amount by $614,000,000.
On page 6, line 21, increase the amount by $764,000,000.
On page 6, line 22, increase the amount by $856,000,000.
On page 6, line 23, increase the amount by $927,000,000.
On page 6, line 24, increase the amount by $984,000,000.
On page 6, line 25, increase the amount by $1,040,000,000.
On page 7, line 1, increase the amount by $1,098,000,000.
On page 7, line 2, increase the amount by $1,158,000,000.
On page 7, line 3, increase the amount by $1,221,000,000.
Function BA and OL–150: Int'l Affairs
On page 10, line 23, decrease the amount by $400,000,000.
On page 10, line 24, decrease the amount by $40,000,000.
On page 11, line 3, decrease the amount by $220,000,000.
On page 11, line 7, decrease the amount by $75,000,000.
On page 11, line 11, decrease the amount by $35,000,000.
On page 11, line 15, decrease the amount by $16,000,000.
On page 11, line 19, decrease the amount by $8,000,000.
On page 11, line 23, decrease the amount by $4,000,000.
On page 12, line 3, decrease the amount by $2,000,000.
On page 12, line 7, decrease the amount by $1,000,000.
550: Health
On page 27, line 11, decrease the amount by $400,000,000.
On page 27, line 12, decrease the amount by $148,000,000.
On page 27, line 16, decrease the amount by $184,000,000.
On page 27, line 20, increase the amount by $40,000,000.
On page 27, line 24, increase the amount by $16,000,000.
On page 28, line 3, increase the amount by $8,000,000.
On page 40, line 6, decrease the amount by $3,000,000.
On page 40, line 7, decrease the amount by $3,000,000.
On page 40, line 10, decrease the amount by $19,000,000.
On page 40, line 11, decrease the amount by $19,000,000.
On page 40, line 14, decrease the amount by $35,000,000.
On page 40, line 15, decrease the amount by $35,000,000.
On page 40, line 18, decrease the amount by $42,000,000.
On page 40, line 19, decrease the amount by $42,000,000.
On page 40, line 22, decrease the amount by $46,000,000.
On page 40, line 23, decrease the amount by $46,000,000.
On page 41, line 2, decrease the amount by $50,000,000.
On page 41, line 3, decrease the amount by $50,000,000.
On page 41, line 6, decrease the amount by $53,000,000.
On page 41, line 7, decrease the amount by $53,000,000.
On page 41, line 10, decrease the amount by $56,000,000.
On page 41, line 11, decrease the amount by $56,000,000.
On page 41, line 14, decrease the amount by $59,000,000.
On page 41, line 15, decrease the amount by $59,000,000.
On page 41, line 18, decrease the amount by $62,000,000.
On page 41, line 19, decrease the amount by $62,000,000.
On page 47, line 5, increase the amount by $800,000,000.
On page 47, line 6, increase the amount by $188,000,000.
On page 47, line 15, increase the amount by $404,000,000.

SA 282. Mr. BROWNBACK (for himself, Mr. INHOFE, Mr. SANTORUM, Mr. CORNYN, Mr. SESSIONS, Mr. THOMAS, and Mr. GRAHAM of South Carolina) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 79, after line 22, add the following:

SEC. 308. FEDERAL AGENCY REVIEW COMMISSION.

It is the sense of the Senate that a commission should be established to review Federal domestic agencies, and programs within such agencies, with the express purpose of providing Congress with recommendations, and legislation to implement those recommendations, to realign or eliminate government agencies and programs that are duplicative, wasteful, inefficient, outdated, or irrelevant, or have failed to accomplish their intended purpose.

SA 283. Mrs. FEINSTEIN (for herself, Mr. KYL, Mr. BINGAMAN, Mr. MCCAIN, and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 79, after line 22, insert the following:

SEC. ___. SENSE OF THE SENATE ON THE STATE CRIMINAL ALIEN ASSISTANCE PROGRAM.

(a) FINDINGS.—The Senate finds the following:

(1) The control of illegal immigration is a Federal responsibility.

(2) In fiscal year 2002, however, State and local governments spent more than $13,000,000,000 in costs associated with the incarceration of undocumented criminal aliens.

(3) The Federal Government provided $565,000,000 in appropriated funding to the State Criminal Alien Assistance Program (SCAAP) to reimburse State and local governments for these costs.

(4) In fiscal year 2003, the fiscal burden of incarcerating undocumented criminal aliens is likely to grow, however, Congress provided only $250,000,000 to help cover these costs.

(5) The 56 percent cut in fiscal year 2003 funding for SCAAP will place an enormous burden on State and local law enforcement agencies during a time of heightened efforts to secure our homeland.

(6) The Administration did not include funding for SCAAP in its fiscal year 2004 budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the functional totals underlying this resolution on the budget assumes that the State Criminal Alien Assistance Program be funded at $585,000,000 to reimburse State and local law enforcement agencies for the burdens imposed in fiscal year 2003 by the incarceration of undocumented criminal aliens; and

(2) Congress enact a long-term reauthorization of the State Criminal Alien Assistance Program beginning with the authorization of $750,000,000 in fiscal year 2004 to reimburse State and county governments for the burdens undocumented criminal aliens have placed on the local criminal justice system.

SA 284. Mrs. MURRAY (for herself, Mr. KENNEDY, Mr. HARKIN, Mr. BINGAMAN, Mr. KERRY, Ms. MIKULSKI, Mr. JOHNSON, Mr. SARBANES, Mr. EDWARDS,

Mrs. CLINTON, and Mr. DODD) proposed an amendment to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; as follows:

On page 3, line 10, increase the amount by $1,018,000,000.
On page 3, line 11, increase the amount by $10,794,000,000.
On page 3, line 12, increase the amount by $2,410,000,000.
On page 3, line 13, increase the amount by $442,000,000.
On page 4, line 1, increase the amount by $1,018,000,000.
On page 4, line 2, increase the amount by $10,794,000,000.
On page 4, line 3, increase the amount by $2,410,000,000.
On page 4, line 4, increase the amount by $442,000,000.
On page 4, line 15, increase the amount by $8,893,000,000.
On page 4, line 16, decrease the amount by $128,000,000.
On page 4, line 7, decrease the amount by $276,000,000.
On page 4, line 18, decrease the amount by $324,000,000.
On page 4, line 19, decrease the amount by $348,000,000.
On page 4, line 20, decrease the amount by $367,000,000.
On page 4, line 21, decrease the amount by $388,000,000.
On page 4, line 22, decrease the amount by $410,000,000.
On page 4, line 23, decrease the amount by $432,000,000.
On page 4, line 24, decrease the amount by $456,000,000.
On page 5, line 5, increase the amount by $611,000,000.
On page 5, line 6, increase the amount by $6,423,000,000.
On page 5, line 7, increase the amount by $1,187,000,000.
On page 5, line 8, decrease the amount by $56,000,000.
On page 5, line 9, decrease the amount by $348,000,000.
On page 5, line 10, decrease the amount by $367,000,000.
On page 5, line 11, decrease the amount by $388,000,000.
On page 5, line 12, decrease the amount by $410,000,000.
On page 5, line 13, decrease the amount by $432,000,000.
On page 5, line 14, decrease the amount by $456,000,000.
On page 5, line 18, increase the amount by $407,000,000.
On page 5, line 19, increase the amount by $4,471,000,000.
On page 5, line 20, increase the amount by $1,223,000,000.
On page 5, line 21, increase the amount by $497,000,000.
On page 5, line 22, increase the amount by $348,000,000.
On page 5, line 23, increase the amount by $367,000,000.
On page 5, line 24, increase the amount by $388,000,000.
On page 5, line 25, increase the amount by $410,000,000.
On page 6, line 1, increase the amount by $432,000,000.
On page 6, line 2, increase the amount by $456,000,000.
On page 6, line 6, decrease the amount by $407,000,000.
On page 6, line 7, decrease the amount by $4,779,000,000.
On page 6, line 8, decrease the amount by $6,002,000,000.
On page 6, line 9, decrease the amount by $6,499,000,000.
On page 6, line 10, decrease the amount by $6,847,000,000.
On page 6, line 11, decrease the amount by $7,215,000,000.
On page 6, line 12, decrease the amount by $7,603,000,000.
On page 6, line 13, decrease the amount by $8,013,000,000.
On page 6, line 14, decrease the amount by $8,446,000,000.
On page 6, line 15, decrease the amount by $8,901,000,000.
On page 6, line 19, decrease the amount by $407,000,000.
On page 6, line 20, decrease the amount by $4,779,000,000.
On page 6, line 21, decrease the amount by $6,002,000,000.
On page 6, line 22, decrease the amount by $6,499,000,000.
On page 6, line 23, decrease the amount by $6,847,000,000.
On page 6, line 24, decrease the amount by $7,215,000,000.
On page 6, line 25, decrease the amount by $7,603,000,000.
On page 7, line 1, decrease the amount by $8,013,000,000.
On page 7, line 2, decrease the amount by $8,446,000,000.
On page 7, line 3, decrease the amount by $8,901,000,000.
On page 25, line 16, increase the amount by $8,900,000,000.
On page 25, line 17, increase the amount by $618,000,000.
On page 25, line 21, increase the amount by $6,551,000,000.
On page 25, line 25, increase the amount by $1,463,000,000.
On page 25, line 4, increase the amount by $268,000,000.
On page 40, line 6, decrease the amount by $7,000,000.
On page 40, line 7, decrease the amount by $7,000,000.
On page 40, line 10, decrease the amount by $128,000,000.
On page 40, line 11, decrease the amount by $128,000,000.
On page 40, line 14, decrease the amount by $276,000,000.
On page 40, line 15, decrease the amount by $276,000,000.
On page 40, line 18, decrease the amount by $324,000,000.
On page 40, line 19, decrease the amount by $324,000,000.
On page 40, line 22, decrease the amount by $348,000,000.
On page 40, line 23, decrease the amount by $348,000,000.
On page 41, line 2, decrease the amount by $367,000,000.
On page 41, line 3, decrease the amount by $367,000,000.
On page 41, line 6, decrease the amount by $388,000,000.
On page 41, line 7, decrease the amount by $388,000,000.
On page 41, line 10, decrease the amount by $410,000,000.
On page 41, line 11, decrease the amount by $410,000,000.
On page 41, line 14, decrease the amount by $432,000,000.
On page 41, line 15, decrease the amount by $432,000,000.
On page 41, line 18, decrease the amount by $456,000,000.
On page 41, line 19, decrease the amount by $456,000,000.
On page 47, line 5, increase the amount by $8,900,000,000.
On page 47, line 6, increase the amount by $618,000,000.
On page 47, line 15, increase the amount by $6,551,000,000.

SA 285. Mr. SCHUMER (for himself, Mr. SMITH, and Mr. BIDEN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 79, after line 22, add the following:

SEC. ___. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) in our increasingly competitive global economy, the attainment of higher education is critical to the economic success of an individual, as evidenced by the fact that, in 1975, college graduates earned an average of 57 percent more than individuals who were only high school graduates, as compared to the fact that, in 2001, college graduates earned an average of 84 percent more than high school graduates;

(2) over the past 20 years, the average cost of college tuition has increased by over 250 percent and is increasing—

(A) at a faster rate than any consumer item, including health care; and

(B) at a rate that is more than twice as fast as the rate of inflation;

(3) despite increases in grant amounts contained in legislation recently enacted by Congress, the value of the maximum Pell Grant has declined 15 percent since 1975 in inflation-adjusted terms, forcing more students to rely on student loans to finance the cost of a higher education;

(4) from fiscal years 1990 to 2000, the demand for student loans rose by 41 percent and the average student loan amount increased by 48.2 percent; and

(5) according to the Department of Education, there is approximately $150,000,000,000 in outstanding student loan debt and students borrowed more during the decade beginning in 1990 than during all of the decades beginning in 1960, 1970, and 1980.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that economic stimulus legislation enacted pursuant to the instructions contained in this concurrent resolution on the budget should include provisions to make higher education affordable, including—

(1) a provision to make permanent the above-the-line deduction for the higher education expenses of a taxpayer and members of the taxpayer's family and to increase such deduction to $8,000 for taxable year 2003 and $12,000 for taxable year 2004 and thereafter; and

(2) a credit against tax of up to $1,500 for each taxable year (indexed for inflation) for interest paid during such taxable year on loans incurred for higher education expenses—

(A) during the first 60 months such payments are required; and

(B) paid by individuals who are not dependents.

SA 286. Mr. SCHUMER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and

including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 79, after line 22, add the following:

SEC. ___. SENSE OF THE SENATE.

It is the sense of the Senate that the budgetary totals in this concurrent resolution assume that the September 11th Victim Compensation Fund of 2001 (49 U.S.C. 40101 note; Public Law 107–42) should be amended to provide compensation for victims killed in the bombing of the World Trade Center in 1993.

SA 287. Mr. SCHUMER (for himself and Ms. SNOWE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 79, after line 22, add the following:

SEC. ___. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the States and their local governments face budget deficits of historic proportions;

(2) the States and their local governments are raising taxes, cutting jobs, and reducing services to address this fiscal crisis;

(3) these actions by the States and their local governments threaten to undo any economic stimulus measures implemented at the Federal level; and

(4) the States and their local governments require adequate funding to meet their responsibilities for homeland security, as well as other Federal mandates.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that economic stimulus legislation enacted pursuant to the instructions contained in this concurrent resolution on the budget should include $40,000,000,000 in direct fiscal assistance provided in a one-time revenue grant to the States and their local governments, as follows:

(1) $20,000,000,000 should be allotted amongst the States.

(2) $20,000,000,000 should be allotted for distribution to the various units of local government within such States.

(3) Such fiscal assistance should be allotted among the States and their units of local government based on a formula which considers size of population and growth in the average annual rate of unemployment during the preceding two years.

SA 288. Mr. KYL (for himself and Mr. SESSIONS) proposed an amendment to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; as follows:

On page 3, line 9, decrease the amount by $200,000,000.

On page 3, line 10, decrease the amount by $5,200,000,000.

On page 3, line 11, decrease the amount by $10,200,000,000.

On page 3, line 12, decrease the amount by $34,600,000,000.

On page 3, line 13, decrease the amount by $31,600,000,000.

On page 3, line 14, decrease the amount by $34,100,000,000.

On page 3, line 15, decrease the amount by $36,600,000,000.

On page 3, line 16, decrease the amount by $31,100,000,000.

On page 3, line 17, decrease the amount by $33,700,000,000.

On page 3, line 18, decrease the amount by $58,100,000,000.

On page 3, line 19, decrease the amount by $63,900,000,000.

On page 3, line 23, decrease the amount by $200,000,000.

On page 4, line 1, decrease the amount by $5,200,000,000.

On page 4, line 2, decrease the amount by $10,200,000,000.

On page 4, line 3, decrease the amount by $34,600,000,000.

On page 4, line 4, decrease the amount by $31,600,000,000.

On page 4, line 5, decrease the amount by $34,100,000,000.

On page 4, line 6, decrease the amount by $36,600,000,000.

On page 4, line 7, decrease the amount by $31,100,000,000.

On page 4, line 8, decrease the amount by $33,700,000,000.

On page 4, line 9, decrease the amount by $58,100,000,000.

On page 4, line 10, decrease the amount by $63,900,000,000.

On page 41, line 22, decrease the amount by $85,000,000.

On page 41, line 23, decrease the amount by $85,000,000.

On page 42, line 2, decrease the amount by $4,692,000,000.

On page 42, line 3, decrease the amount by $4,692,000,000.

On page 42, line 6, decrease the amount by $9,406,000,000.

On page 42, line 7, decrease the amount by $9,406,000,000.

On page 42, line 10, decrease the amount by $33,617,000,000.

On page 42, line 11, decrease the amount by $33,617,000,000.

On page 42, line 14, decrease the amount by $30,324,000,000.

On page 42, line 15, decrease the amount by $30,324,000,000.

On page 42, line 18, decrease the amount by $32,408,000,000.

On page 42, line 19, decrease the amount by $32,408,000,000.

On page 42, line 22, decrease the amount by $35,018,000,000.

On page 42, line 23, decrease the amount by $35,018,000,000.

On page 43, line 2, decreased the amount by $28,750,000,000.

On page 43, line 3, decreased the amount by $28,750,000,000.

On page 43, line 6, decreased the amount by $2,515,000,000.

On page 43, line 7, decreased the amount by $2,515,000,000.

On page 43, line 10, decreased the amount by $336,000,000.

On page 43, line 11, decreased the amount by $336,000,000.

On page 43, line 14, decreased the amount by $347,000,000.

On page 43, line 15, decreased the amount by $347,000,000.

SA 289. Mr. DODD (for himself, Mr. LAUTENBERG, and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table, as follows:

On page 3, line 10, increase the amount by $232,000,000.

On page 3, line 11, increase the amount by $9,656,000,000.

On page 3, line 12, increase the amount by $1,512,000,000.

On page 3, line 13, increase the amount by $232,000,000.

On page 4, line 1, increase the amount by $9,656,000,000.

On page 4, line 3, increase the amount by $1,512,000,000.

On page 4, line 4, increase the amount by $232,000,000.

On page 4, line 15, increase the amount by $5,814,000,000.

On page 4, line 16, decrease the amount by $131,000,000.

On page 4, line 17, decrease the amount by $287,000,0000.

On page 4, line 18, decrease the amount by $329,000,000.

On page 4, line 19, decrease the amount by $352,000,000.

On page 4, line 20, decrease the amount by $372,000,000.

On page 4, line 21, decrease the amount by $393,000,000.

On page 4, line 22, decrease the amount by $415,000,000.

On page 4, line 23, decrease the amount by $437,000,000.

On page 4, line 24, decrease the amount by $461,000,000.

On page 5, line 5, increase the amount by $114,000,000.

On page 5, line 6, increase the amount by $4,697,000,000.

On page 5, line 7, increase the amount by $469,000,000.

On page 5, line 8, decrease the amount by $213,000,000.

On page 5, line 9, decrease the amount by $352,000,000.

On page 5, line 10, decrease the amount by $372,000,000.

On page 5, line 11, decrease the amount by $393,000,000.

On page 5, line 12, decrease the amount by $415,000,000.

On page 5, line 13, decrease the amount by $437,000,000.

On page 5, line 14, decrease the amount by $461,000,000.

On page 5, line 18, increase the amount by $118,000,000.

On page 5, line 19, increase the amount by $4,959,000,000.

On page 5, line 20, increase the amount by $1,043,000,000.

On page 5, line 21, increase the amount by $445,000,000.

On page 5, line 22, increase the amount by $352,000,000.

On page 5, line 23, increase the amount by $372,000,000.

On page 5, line 24, increase the amount by $393,000,000.

On page 5, line 25, increase the amount by $415,000,000.

On page 6, line 1, increase the amount by $437,000,000.

On page 6, line 2, increase the amount by $461,000,000.

On page 6, line 6, decrease the amount by $118,000,000.

On page 6, line 7, decrease the amount by $5,077,000,000.

On page 6, line 8, decrease the amount by $6,120,000,000.

On page 6, line 9, decrease the amount by $6,565,000,000.

On page 6, line 10, decrease the amount by $6,917,000,000.

On page 6, line 11, decrease the amount by $7,289,000,000.

On page 6, line 12, decrease the amount by $7,682,000,000.

On page 6, line 13, decrease the amount by $8,096,000,000.

On page 6, line 14, decrease the amount by $8,533,000,000.

On page 6, line 15, decrease the amount by $8,994,000,000.

On page 6, line 19, decrease the amount by $118,000,000.

On page 6, line 20, decrease the amount by $5,077,000,000.

On page 6, line 21, decrease the amount by $6,120,000,000.

On page 6, line 22, decrease the amount by $6,565,000,000.

On page 6, line 23, decrease the amount by $6,917,000,000.

On page 6, line 24, decrease the amount by $7,289,000,000.

On page 6, line 25, decrease the amount by $7,682,000,000.

On page 7, line 1, decrease the amount by $8,096,000,000.

On page 7, line 2, decrease the amount by $8,533,000,000.

On page 7, line 3, decrease the amount by $8,994,000,000.

On page 25, line 16, increase the amount by $5,816,000,000.

On page 25, line 17, increase the amount by $116,000,000.

On page 25, line 21, increase the amount by $4,828,000,000.

On page 25, line 25, increase the amount by $756,000,000.

On page 26, line 4, increase the amount by $116,000,000.

On page 40, line 6, decrease the amount by $2,000,000.

On page 40, line 7, decrease the amount by $2,000,000.

On page 40, line 10, decrease the amount by $131,000,000.

On page 40, line 11, decrease the amount by $131,000,000.

On page 40, line 14, decrease the amount by $287,000,000.

On page 40, line 15, decrease the amount by $287,000,000.

On page 40, line 18, decrease the amount by $329,000,000.

On page 40, line 19, decrease the amount by $329,000,000.

On page 40, line 22, decrease the amount by $352,000,000.

On page 40, line 23, decrease the amount by $352,000,000.

On page 41, line 2, decrease the amount by $372,000,000.

On page 41, line 3, decrease the amount by $372,000,000.

On page 41, line 6, decrease the amount by $393,000,000.

On page 41, line 7, decrease the amount by $393,000,000.

On page 41, line 10, decrease the amount by $415,000,000.

On page 41, line 11, decrease the amount by $415,000,000.

On page 41, line 14, decrease the amount by $437,000,000.

On page 41, line 15, decrease the amount by $437,000,000.

On page 41, line 18, decrease the amount by $461,000,000.

On page 41, line 19, decrease the amount by $461,000,000.

On page 47, line 5, increase the amount by $5,816,000,000.

On page 47, line 6, increase the amount by $116,000,000.

On page 47, line 15, increase the amount by $4,828,000,000.

SA 290. Mr. DODD (for himself and Mr. KERRY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 3, line 10, increase the amount by $116,000,000.

On page 3, line 11, increase the amount by $1,494,000,000.

On page 3, line 12, increase the amount by $576,000,000.

On page 3, line 13, increase the amount by $114,000,000.

On page 4, line 1, increase the amount by $116,000,000.

On page 4, line 2, increase the amount by $1,494,000,000.

On page 4, line 3, increase the amount by $576,000,000.

On page 4, line 4, increase the amount by $114,000,000.

On page 4, line 15, increase the amount by $1,149,000,000.

On page 4, line 16, decrease the amount by $22,000,000.

On page 4, line 17, decrease the amount by $51,000,000.

On page 4, line 18, decrease the amount by $64,000,000.

On page 4, line 19, decrease the amount by $69,000,000.

On page 4, line 20, decrease the amount by $73,000,000.

On page 4, line 21, decrease the amount by $77,000,000.

On page 4, line 22, decrease the amount by $81,000,000.

On page 4, line 23, decrease the amount by $86,000,000.

On page 4, line 24, decrease the amount by $90,000,000.

On page 5, line 5, increase the amount by $57,000,000.

On page 5, line 6, increase the amount by $725,000,000.

On page 5, line 7, increase the amount by $237,000,000.

On page 5, line 8, decrease the amount by $7,000,000.

On page 5, line 9, decrease the amount by $69,000,000.

On page 5, line 10, decrease the amount by $73,000,000.

On page 5, line 11, decrease the amount by $77,000,000.

On page 5, line 12, decrease the amount by $81,000,000.

On page 5, line 13, decrease the amount by $86,000,000.

On page 5, line 14, decrease the amount by $90,000,000.

On page 5, line 18, increase the amount by $59,000,000.

On page 5, line 19, increase the amount by $769,000,000.

On page 5, line 20, increase the amount by $339,000,000.

On page 5, line 21, increase the amount by $121,000,000.

On page 5, line 22, increase the amount by $69,000,000.

On page 5, line 23, increase the amount by $73,000,000.

On page 5, line 24, increase the amount by $77,000,000.

On page 5, line 25, increase the amount by $81,000,000.

On page 6, line 1, increase the amount by $86,000,000.

On page 6, line 2, increase the amount by $90,000,000.

On page 6, line 6, decrease the amount by $59,000,000.

On page 6, line 7, decrease the amount by $828,000,000.

On page 6, line 8, decrease the amount by $1,167,000,000.

On page 6, line 9, decrease the amount by $1,228,000,000.

On page 6, line 10, decrease the amount by $1,357,000,000.

On page 6, line 11, decrease the amount by $1,430,000,000.

On page 6, line 12, decrease the amount by $1,507,000,000.

On page 6, line 13, decrease the amount by $1,589,000,000.

On page 6, line 14, decrease the amount by $1,674,000,000.

On page 6, line 15, decrease the amount by $1,765,000,000.

On page 6, line 19, decrease the amount by $59,000,000.

On page 6, line 20, decrease the amount by $828,000,000.

On page 6, line 21, decrease the amount by $1,167,000,000.

On page 6, line 22, decrease the amount by $1,288,000,000.

On page 6, line 23, decrease the amount by $1,357,000,000.

On page 6, line 24, decrease the amount by $1,430,000,000.

On page 6, line 25, decrease the amount by $1,507,000,000.

On page 7, line 1, decrease the amount by $1,589,000,000.

On page 7, line 2, decrease the amount by $1,674,000,000.

On page 7, line 3, decrease the amount by $1,765,000,000.

On page 25, line 16, increase the amount by $1,150,000,000.

On page 25, line 17, increase the amount by $58,000,000.

On page 25, line 21, increase the amount by $747,000,000.

On page 25, line 25, increase the amount by $288,000,000.

On page 26, line 4, increase the amount by $57,000,000.

On page 40, line 6, decrease the amount by $1,000,000.

On page 40, line 7, decrease the amount by $1,000,000.

On page 40, line 10, decrease the amount by $22,000,000.

On page 40, line 11, decrease the amount by $22,000,000.

On page 40, line 14, decrease the amount by $51,000,000.

On page 40, line 15, decrease the amount by $51,000,000.

On page 40, line 18, decrease the amount by $64,000,000.

On page 40, line 19, decrease the amount by $64,000,000.

On page 40, line 22, decrease the amount by $69,000,000.

On page 40, line 23, decrease the amount by $69,000,000.

On page 41, line 2, decrease the amount by $73,000,000.

On page 41, line 3, decrease the amount by $73,000,000.

On page 41, line 6, decrease the amount by $77,000,000.

On page 41, line 7, decrease the amount by $77,000,000.

On page 41, line 10, decrease the amount by $81,000,000.

On page 41, line 11, decrease the amount by $81,000,000.

On page 41, line 14, decrease the amount by $86,000,000.

On page 41, line 15, decrease the amount by $86,000,000.

On page 41, line 18, decrease the amount by $90,000,000.

On page 41, line 19, decrease the amount by $90,000,000.

On page 47, line 5, increase the amount by $1,150,000,000.

On page 47, line 6, increase the amount by $58,000,000.

On page 47, line 15, increase the amount by $747,000,000.

SA 291. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, insert the following:

SEC. ___. REPORTS ON LIABILITIES AND FUTURE COSTS.

Not later than the date the President submits the Federal budget each year, the Director of the Congressional Budget Office shall submit to Congress a report containing—

(1) an estimate of the unfunded liabilities of the Federal Government;

(2) an estimate of the contingent liabilities of Federal programs; and

(3) an accrual-based estimate of the current and future costs of Federal programs.

SA 292. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, insert the following:

SEC. ___. POINT OF ORDER AGAINST UNAUTHORIZED APPROPRIATION.

It shall not be in order in the Senate to consider any appropriations provision that is an appropriation for an unauthorized program unless there is filed at the desk a letter signed by the chairman of the authorizing committee with jurisdiction over the program stating that the committee does not object to the appropriation and explaining why the program has not been reauthorized.

SA 293. Mr. HATCH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 12, line 19, increase the amount by $110,000,000.

On page 12, line 20, increase the amount by $110,000,000.

On page 79, after line 22, add the following:

SEC. 308. MANUFACTURING EXTENSION PARTNERSHIP.

It is the sense of the Senate that the funding levels in this resolution assume that the Manufacturing Extension Partnership of the National Institute of Standards and Technology will be fully funded for fiscal year 2004 at the authorized level of $110,000,000.

SA 294. Mr. DORGAN (for himself, Mr. GRAHAM of Florida, and Ms. STABENOW) proposed an amendment to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; as follows:

On page 3, line 9, increase the amount by $7,589,000,000.

On page 3, line 10, increase the amount by $23,341,000,000.

On page 3, line 11, increase the amount by $26,169,000,000.

On page 3, line 12, increase the amount by $29,003,000,000.

On page 3, line 13, increase the amount by $32,406,000,000.

On page 3, line 14, increase the amount by $35,710,000,000.

On page 3, line 15, increase the amount by $39,465,000,000.

On page 3, line 16, increase the amount by $43,508,000,000.

On page 3, line 17, increase the amount by $47,687,000,000.

On page 3, line 18, increase the amount by $52,440,000,000.

On page 3, line 19, increase the amount by $58,514,000,000.

On page 3, line 23, increase the amount by $7,589,000,000.

On page 4, line 1, increase the amount by $23,341,000,000.

On page 4, line 2, increase the amount by $26,169,000,000.

On page 4, line 3, increase the amount by $29,003,000,000.

On page 4, line 4, increase the amount by $32,406,000,000.

On page 4, line 5, increase the amount by $35,710,000,000.

On page 4, line 6, increase the amount by $39,465;,000,000.

On page 4, line 7, increase the amount by $43,508,000,000.

On page 4, line 8, increase the amount by $47,687,000,000.

On page 4, line 9, increase the amount by $52,440,000,000.

On page 4, line 10, increase the amount by $58,514,000,000.

On page 4, line 14, decrease the amount by $56,000,000.

On page 4, line 15, decrease the amount by $6,750,000,000.

On page 4, line 16, decrease the amount by $12,607,000,000.

On page 4, line 17, decrease the amount by $2,089,000,000.

On page 4, line 18, increase the amount by $11,134,000,000.

On page 4, line 19, increase the amount by $13,388,000,000.

On page 4, line 20, increase the amount by $18,051,000,000.

On page 4, line 21, increase the amount by $23,189,000,000.

On page 4, line 22, increase the amount by $28,020,000,000.

On page 4, line 23, increase the amount by $33,135,000,000.

On page 4, line 24, increase the amount by $39,338,000,000.

On page 5, line 4, decrease the amount by $56,000,000.

On page 5, line 5, decrease the amount by $6,750,000,000.

On page 5, line 6, decrease the amount by $12,607,000,000.

On page 5, line 7, decrease the amount by $2,089,000,000.

On page 5, line 8, increase the amount by $11,134,000,000.

On page 5, line 9, increase the amount by $13,388,000,000.

On page 5, line 10, increase the amount by $18,051,000,000.

On page 5, line 11, increase the amount by $23,189,000,000.

On page 5, line 12, increase the amount by $28,020,000,000.

On page 5, line 13, increase the amount by $33,135,000,000.

On page 5, line 14, increase the amount by $39,338,000,000.

On page 5, line 17, increase the amount by $7,645,000,000.

On page 5, line 18, increase the amount by $30,091,000,000.

On page 5, line 19, increase the amount by $38,776,000,000.

On page 5, line 20, increase the amount by $31,092,000,000.

On page 5, line 21, increase the amount by $21,272,000,000.

On page 5, line 22, increase the amount by $22,322,000,000.

On page 5, line 23, increase the amount by $21,414,000,000.

On page 5, line 24, increase the amount by $20,319,000,000.

On page 5, line 25, increase the amount by $19,667,000,000.

On page 6, line 1, increase the amount by $19,305,000,000.

On page 6, line 2, increase the amount by $19,176,000,000.

On page 6, line 5, decrease the amount by $7,645,000,000.

On page 6, line 6, decrease the amount by $37,737,000,000.

On page 6, line 7, decrease the amount by $76,513,000,000.

On page 6, line 8, decrease the amount by $107,604,000,000.

On page 6, line 9, decrease the amount by $128,877,000,000.

On page 6, line 10, decrease the amount by $151,199,000,000.

On page 6, line 11, decrease the amount by $172,612,000,000.

On page 6, line 12, decrease the amount by $192,931,000,000.

On page 6, line 13, decrease the amount by $212,599,000,000.

On page 6, line 14, decrease the amount by $231,903,000,000.

On page 6, line 15, decrease the amount by $251,080,000,000.

On page 6, line 18, decrease the amount by $7,645,000,000.

On page 6, line 19, decrease the amount by $37,737,000,000.

On page 6, line 20, decrease the amount by $76,513,000,000.

On page 6, line 21, decrease the amount by $107,604,000,000.

On page 6, line 22, decrease the amount by $128,877,000,000.

On page 6, line 23, decrease the amount by $151,199,000,000.

On page 6, line 24, decrease the amount by $172,612,000,000.

On page 6, line 25, decrease the amount by $192,931,000,000.

On page 7, line 1, decrease the amount by $212,599,000,000.

On page 7, line 2, decrease the amount by $231,903,000,000.

On page 7, line 3, decrease the amount by $251,080,000,000.

On page 29, line 6, decrease the amount by $6,000,000,000.

On page 29, line 7, decrease the amount by $6,000,000,000.

On page 29, line 10, decrease the amount by $10,000,000,000.

On page 29, line 11, decrease the amount by $10,000,000,000.

On page 29, line 14, increase the amount by $2,498,000,000.

On page 29, line 15, increase the amount by $2,498,000,000.

On page 29, line 18, increase the amount by $17,195,000,000.

On page 29, line 19, increase the amount by $17,195,000,000.

On page 29, line 22, increase the amount by $20,630,000,000.

On page 29, line 23, increase the amount by $20,630,000,000.

On page 30, line 2, increase the amount by $26,482,000,000.

On page 30, line 3, increase the amount by $26,482,000,000.

On page 30, line 6, increase the amount by $32,751,000,000.

On page 30, line 7, increase the amount by $32,751,000,000.

On page 30, line 10, increase the amount by $38,644,000,000.

On page 30, line 11, increase the amount by $38,644,000,000.

On page 30, line 14, increase the amount by $44,787,000,000.

On page 30, line 15, increase the amount by $44,787,000,000.

On page 30, line 18, increase the amount by $52,013,000,000.

On page 30, line 19, increase the amount by $52,013,000,000.

On page 40, line 2, decrease the amount by $56,000,000.

On page 40, line 3, decrease the amount by $56,000,000.

On page 40, line 6, decrease the amount by $750,000,000.

On page 40, line 7, decrease the amount by $750,000,000.

On page 40, line 10, decrease the amount by $2,607,000,000.

On page 40, line 11, decrease the amount by $2,607,000,000.

On page 40, line 14, decrease the amount by $4,587,000,000.

On page 40, line 15, decrease the amount by $4,587,000,000.

On page 40, line 18, decrease the amount by $6,061,000,000.

On page 40, line 19, decrease the amount by $6,061,000,000.

On page 40, line 22, decrease the amount by $7,242,000,000.

On page 40, line 23, decrease the amount by $7,242,000,000.

On page 41, line 2, decrease the amount by $8,431,000,000.

On page 41, line 3, decrease the amount by $8,431,000,000.

On page 41, line 6, decrease the amount by $9,562,000,000.

On page 41, line 7, decrease the amount by $9,562,000,000.

On page 41, line 10, decrease the amount by $10,624,000,000.

On page 41, line 11, decrease the amount by $10,624,000,000.

On page 41, line 14, decrease the amount by $11,652,000,000.

On page 41, line 15, decrease the amount by $11,652,000,000.

On page 41, line 18, decrease the amount by $12,675,000,000.

On page 41, line 19, decrease the amount by $12,675,000,000.

On page 61, line 12, insert ''on an equal basis with respect to benefit level regardless of whether such beneficiaries remain in the traditional medicare fee-for-service program under parts A and B of such title or enroll in a private plan under the medicare program'' after ''prescription drugs''.

On page 61, line 19, strike $400,000,000,000 and insert $619,000,000,000.

SA 295. Mr. DORGAN (for himself, Mr. KERRY, and Mrs. LANDRIEU) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 14 line 15, increase the amount by $372,000,000.

On page 14 line 16, increase the amount by $45,000,000.

On page 14 line 20, increase the amount by $104,000,000.

On page 14 line 24, increase the amount by $93,000,000.

On page 15 line 3, increase the amount by $130,000,000.

On page 42 line 2, decrease the amount by $372,000,000.

On page 42 line 3, decrease the amount by $45,000,000.

On page 42 line 7, decrease the amount by $104,000,000.

On page 42 line 11, decrease the amount by $93,000,000.

On page 42 line 15, decrease the amount by $130,000,000.

SA 296. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

On page 79, after line 22, add the following:

SEC. 308. RADIO INTEROPERABILITY FOR FIRST RESPONDERS.

(a) STUDY.—It is the sense of the Senate that the Secretary of Commerce, in consultation with the Secretary of Homeland Security, should conduct a study of the need and cost to make the radio systems used by fire departments and emergency medical services agencies interoperable with those used by law enforcement to the extent that interoperability will not interfere with law enforcement operations.

(b) GRANT PROGRAM.—It is the sense of the Senate that Congress should authorize and appropriate $20,000,000 to establish a grant program through which the Secretary of Commerce would award grants to local governments to assist fire departments and emergency medical services agencies to establish radio interoperability.

SA 297. Mr. DURBIN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, insert the following:

SEC. ___. POINT OF ORDER REQUIRING THAT THE AMT BE DEALT WITH BEFORE OR SIMULTANEOUSLY WITH OTHER TAX CUTS.

(a) FINDINGS.—The Senate finds the following:

(1) The American taxpayers are threatened with a looming crisis which is ignored by the President's budget and the budget resolution before the Senate, namely that a rapidly growing number of middle income taxpayers will be subject to the AMT, up from 2,000,000 currently to an estimated 36,000,000 by 2010.

(2) This crisis has come about as a result of two factors—

(A) that the Federal income tax is indexed for inflation, but the AMT is not; and

(B) that President Bush sought and obtained huge new tax cuts in 2001, which he is now seeking to make permanent, without providing for corresponding, permanent adjustments to the AMT.

(3) The President and the architects of this budget resolution refuse to address the AMT on a permanent basis because to do so would be costly and might jeopardize their ability to enact additional tax cuts which primarily benefit the wealthiest taxpayers at the expense of the estimated 85 percent of families with two or more children who will otherwise be affected by the AMT by 2010; the 43 percent of taxpayers with annual incomes between $50,000 and $75,000 who will otherwise be affected by the AMT by 2010; and the 80 percent of taxpayers with annual income between $75,000 and $100,000 who will otherwise be affected by the AMT by 2010.

(4) Congress must begin to address the issue of permanent AMT reform by creating a point of order against further tax cuts that do not include AMT reform.

(b) IN GENERAL.—It shall not be in order in the Senate to consider any bill or joint resolution, including a reconciliation bill or resolution, or any amendment, motion, or conference report thereto, that would allow tax cuts unless such bill, joint resolution, amendment, motion or conference report thereto contains, or Congress has previously enacted, comprehensive legislation that reforms the alternative minimum tax to protect taxpayers with annual incomes under $100,000.

(c) WAIVER AND APPEAL.—This section may be waived or suspended in the Senate only by an affirmative vote of ⅗ of the members, duly chosen and sworn. An affirmative vote of ⅗ of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, March 19, 2003 at 9:30 a.m. to hold a hearing on Nonproliferation Programs of the Department of State.

Witnesses

Panel 1: The Honorable John S. Wolf, Assistant Secretary for Nonproliferation, Department of State, Washington, DC.

Panel 2: The Honorable Rose E. Gottemoeller, Senior Associate, Carnegie Endowment for International Peace, Washington, DC.

The Honorable Charles B. Curtis, President and Chief Operating Officer, Nuclear Threat Initiative, Washington; Dr. Amy E. Smithson, Senior Associate, The Henry L. Stimson Center, Washington, DC.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the

Senate on Wednesday, March 19, 2003 at 2:30 p.m. to hold a hearing on the Effects and Consequences of an Emerging China.

Witnesses

Panel 1: Mr. Randall Schriver, Deputy Assistant Secretary of State for China, Department of State, Washington, DC; Mr. Charles Freeman, Deputy Assistant US Trade Representative, Office of the US Trade Representative, Washington, DC.

Panel 2: Dr. Robert A. Kapp, President, The US-China Business Council, Washington, DC; Ms. Hillary B. Rosen, President and Chief Executive Officer, Recording Industry Association of America, Washington, DC.

Panel 3: Dr. Larry Wortzel, The Heritage Foundation, Washington, DC; Dr. David M. Lampton, Director of Chinese Studies, The Nixon Center, Washington, DC.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in Executive Session during the session of the Senate on Wednesday, March 19, 2003. The following agenda will be considered:

Agenda

S. , Lifespan Respite Care Act.

S. , Pediatric Drugs Research Authority.

S. 15, Biodefense Improvement and Treatment for America Act.

Any nominees that have been cleared for action.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, March 19, 2003, at 9:30 a.m., to conduct an oversight hearing on the operations of the Secretary of the Senate and the Architect of the Capitol.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, March 19, 2003, at 2:30 p.m. in Room 485 of the Russell Senate Office Building to conduct a hearing on Indian energy legislation, S. 424, the Tribal Energy self-Sufficiency Act, and S. 522, the Native American Energy Development and Self Determination Act of 2003.

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

COMMITTEE ON THE JUDICIARY

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing entitled ''Promoting Ethical Regenerative Medicine Research and Prohibiting Immoral Human Reproductive Cloning'' on Wednesday, March 19, 2003, at 10:30 a.m. in the Dirksen Senate Office Building Room 226.

Panel I: The Honorable Sam Brownback, United States Senator, [R–KS]; The Honorable Jim R. Langevin, United States Representative, [D–RI–2nd District].

Panel II: Dr. Leon Kass, Addie Clark Harding Professor, The College and the Committee on Social Thought, University of Chicago. Hertog Fellow, American Enterprise Institute, Chicago, IL; Dr. Thomas Murray, President, The Hastings Center, Garrison, NY.

Panel III: Dr. Harold Varmus, President, Memorial Sloan-Kettering Cancer Center, New York City, NY; Dr. Anton-Lewis Usala, Professor, East Carolina University Professor, Greenville, NC; Dr. Micheline Mathews-Roth, Associate Professor of Medicine, Harvard Medical School, Boston, MA; Dr. Paul Berg, Cahill Professor, Department of Biochemistry, Stanford University, Palo Alto, CA.

Panel IV: Mr. James Kelly, Patient Advocate, Granbury, TX; Mr. Gregg Wasson, Patient Advocate, Cotai, CA.

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

SUBCOMMITTEE ON PERSONNEL

Mr. NICKLES. Mr. President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, March 19, 2003, at 3 p.m., in open session to receive testimony on the National Guard and Reserve Military and Civilian Personnel Programs, in review of the Defense Authorization Request for Fiscal Year 2004.

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

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. NICKLES. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Armed Services Committee be authorized to meet during the Session of the Senate on Wednesday, March 19, 2003, at 9:30 a.m., in open session to receive testimony on acquisition policy and outsourcing issues, in review of the Defense Authorization Request for Fiscal Year 2004.

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

PRIVILEGE OF THE FLOOR

Mr. REED. I ask unanimous consent that a fellow in my office, Denis Borum, be granted the privilege of the floor for purposes of this debate.

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

IDENTITY THEFT PENALTY ENHANCEMENT ACT

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 8, S. 153.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 153) to amend title 18, United States Code, to establish penalties for aggravated identity theft, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. NICKLES. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (S. 153) was read the third time and passed, as follows:

S. 153

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 ''Identity Theft Penalty Enhancement Act''.

SEC. 2. AGGRAVATED IDENTITY THEFT.

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by adding after section 1028, the following:

''§ 1028A. Aggravated identity theft

''(a) OFFENSES.—

''(1) IN GENERAL.—Whoever, during and in relation to any felony violation enumerated in subsection (c), knowingly transfers, possesses, or uses, without lawful authority, a means of identification of another person shall, in addition to the punishment provided for such felony, be sentenced to a term of imprisonment of 2 years.

''(2) TERRORISM OFFENSE.—Whoever, during and in relation to any felony violation enumerated in section 2332b(g)(5)(B), knowingly transfers, possesses, or uses, without lawful authority, a means of identification of another person shall, in addition to the punishment provided for such felony, be sentenced to a term of imprisonment of 5 years.

''(b) CONSECUTIVE SENTENCE.—Notwithstanding any other provision of law—

''(1) a court shall not place on probation any person convicted of a violation of this section;

''(2) except as provided in paragraph (4), no term of imprisonment imposed on a person under this section shall run concurrently with any other term of imprisonment imposed on the person under any other provision of law, including any term of imprisonment imposed for the felony during which the means of identification was transferred, possessed, or used;

''(3) in determining any term of imprisonment to be imposed for the felony during which the means of identification was transferred, possessed, or used, a court shall not in any way reduce the term to be imposed for such crime so as to compensate for, or otherwise take into account, any separate term of imprisonment imposed or to be imposed for a violation of this section; and

''(4) a term of imprisonment imposed on a person for a violation of this section may, in the discretion of the court, run concurrently, in whole or in part, only with another term of imprisonment that is imposed by the court at the same time on that person for an additional violation of this section, provided that such discretion shall be exercised in accordance with any applicable guidelines and policy statements issued by the Sentencing

Commission pursuant to section 994 of title 28.

''(c) DEFINITION.—For purposes of this section, the term 'felony violation enumerated in subsection (c)' means any offense that is a felony violation of—

''(1) section 664 (relating to theft from employee benefit plans);

''(2) section 911 (relating to false personation of citizenship);

''(3) section 922(a)(6) (relating to false statements in connection with the acquisition of a firearm);

''(4) any provision contained in this chapter (relating to fraud and false statements), other than this section or section 1028(a)(7);

''(5) any provision contained in chapter 63 (relating to mail, bank, and wire fraud);

''(6) any provision contained in chapter 69 (relating to nationality and citizenship);

''(7) any provision contained in chapter 75 (relating to passports and visas);

''(8) section 523 of the Gramm-Leach-Bliley Act (15 U.S.C. 6823) (relating to obtaining customer information by false pretenses);

''(9) section 243 or 266 of the Immigration and Nationality Act (8 U.S.C. 1253 and 1306) (relating to willfully failing to leave the United States after deportation and creating a counterfeit alien registration card);

''(10) any provision contained in chapter 8 of title II of the Immigration and Nationality Act (8 U.S.C. 1321 et seq.) (relating to various immigration offenses); or

''(11) section 208, 1107(b), or 1128B(a) of the Social Security Act (42 U.S.C. 408, 1307(b), and 1320a–7b(a)) (relating to false statements relating to programs under the Act).''.

(b) AMENDMENT TO CHAPTER ANALYSIS.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1028 the following new item:

''1028A. Aggravated identity theft.''.

SEC. 3. AMENDMENTS TO EXISTING IDENTITY THEFT PROHIBITION.

Section 1028 of title 18, United States Code, is amended—

(1) in subsection (a)(7)—

(A) by striking ''transfers'' and inserting ''transfers, possesses,''; and

(B) by striking ''abet,'' and inserting ''abet, or in connection with,'';

(2) in subsection (b)(1)(D), by striking ''transfer'' and inserting ''transfer, possession,'';

(3) in subsection (b)(2), by striking ''three years'' and inserting ''5 years''; and

(4) in subsection (b)(4), by inserting after ''facilitate'' the following: ''an act of domestic terrorism (as defined under section 2331(5) of this title) or''.

KEEPING CHILDREN AND FAMILIES SAFE ACT OF 2003

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to Calendar No. 24, S. 342.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 342) to amend the Child Abuse Prevention and Treatment Act to making improvements to and reauthorize programs under that Act, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. NICKLES. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the record.

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

The bill (S. 342) was read the third time and passed, as follows:

S. 342

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Keeping Children and Families Safe Act of 2003''.

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

Sec. 1. Short title; table of contents.

TITLE I—CHILD ABUSE PREVENTION AND TREATMENT ACT

Sec. 101. Findings.

Subtitle A—General Program

Sec. 111. National clearinghouse for information relating to child abuse.
Sec. 112. Research and assistance activities and demonstrations.
Sec. 113. Grants to States and public or private agencies and organizations.
Sec. 114. Grants to States for child abuse and neglect prevention and treatment programs.
Sec. 115. Miscellaneous requirements relating to assistance.
Sec. 116. Authorization of appropriations.
Sec. 117. Reports.

Subtitle B—Community-Based Grants for the Prevention of Child Abuse

Sec. 121. Purpose and authority.
Sec. 122. Eligibility.
Sec. 123. Amount of grant.
Sec. 124. Existing grants.
Sec. 125. Application.
Sec. 126. Local program requirements.
Sec. 127. Performance measures.
Sec. 128. National network for community-based family resource programs.
Sec. 129. Definitions.
Sec. 130. Authorization of appropriations.

Subtitle C—Conforming Amendments

Sec. 141. Conforming amendments.

TITLE II—ADOPTION OPPORTUNITIES

Sec. 201. Congressional findings and declaration of purpose.
Sec. 202. Information and services.
Sec. 203. Study of adoption placements.
Sec. 204. Studies on successful adoptions.
Sec. 205. Authorization of appropriations.

TITLE III—ABANDONED INFANTS ASSISTANCE

Sec. 301. Findings.
Sec. 302. Establishment of local projects.
Sec. 303. Evaluations, study, and reports by Secretary.
Sec. 304. Authorization of appropriations.
Sec. 305. Definitions.

TITLE IV—FAMILY VIOLENCE PREVENTION AND SERVICES ACT

Sec. 401. State demonstration grants.
Sec. 402. Secretarial responsibilities.
Sec. 403. Evaluation.
Sec. 404. Information and technical assistance centers.
Sec. 405. Authorization of appropriations.
Sec. 406. Grants for State domestic violence coalitions.
Sec. 407. Evaluation and monitoring.
Sec. 408. Family member abuse information and documentation project.
Sec. 409. Model State leadership grants.
Sec. 410. National domestic violence hotline grant.
Sec. 411. Youth education and domestic violence.
Sec. 412. National domestic violence shelter network.
Sec. 413. Demonstration grants for community initiatives.
Sec. 414. Transitional housing assistance.
Sec. 415. Technical and conforming amendments.

TITLE I—CHILD ABUSE PREVENTION AND TREATMENT ACT

SEC. 101. FINDINGS.

Section 2 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 note) is amended—

(1) in paragraph (1), by striking ''close to 1,000,000'' and inserting ''approximately 900,000'';

(2) by redesignating paragraphs (2) through (11) as paragraphs (4) through (13), respectively;

(3) by inserting after paragraph (1) the following:

''(2)(A) more children suffer neglect than any other form of maltreatment; and

''(B) investigations have determined that approximately 63 percent of children who were victims of maltreatment in 2000 suffered neglect, 19 percent suffered physical abuse, 10 percent suffered sexual abuse, and 8 percent suffered emotional maltreatment;

''(3)(A) child abuse can result in the death of a child;

''(B) in 2000, an estimated 1,200 children were counted by child protection services to have died as a result of abuse or neglect; and

''(C) children younger than 1 year old comprised 44 percent of child abuse fatalities and 85 percent of child abuse fatalities were younger than 6 years of age;'';

(4) by striking paragraph (4) (as so redesignated), and inserting the following:

''(4)(A) many of these children and their families fail to receive adequate protection and treatment;

''(B) slightly less than half of these children (45 percent in 2000) and their families fail to receive adequate protection or treatment; and

''(C) in fact, approximately 80 percent of all children removed from their homes and placed in foster care in 2000, as a result of an investigation or assessment conducted by the child protective services agency, received no services;'';

(5) in paragraph (5) (as so redesignated)—

(A) in subparagraph (A), by striking ''organizations'' and inserting ''community-based organizations'';

(B) in subparagraph (D), by striking ''ensures'' and all that follows through ''knowledge,'' and inserting ''recognizes the need for properly trained staff with the qualifications needed''; and

(C) in subparagraph (E), by inserting before the semicolon the following: '', which may impact child rearing patterns, while at the same time, not allowing those differences to enable abuse'';

(6) in paragraph (7) (as so redesignated), by striking ''this national child and family emergency'' and inserting ''child abuse and neglect''; and

(7) in paragraph (9) (as so redesignated)—

(A) by striking ''intensive'' and inserting ''needed''; and

(B) by striking ''if removal has taken place'' and inserting ''where appropriate''.

Subtitle A—General Program

SEC. 111. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

(a) FUNCTIONS.—Section 103(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5104(b)) is amended—

(1) in paragraph (1), by striking ''all programs,'' and all that follows through ''neglect; and'' and inserting ''all effective programs, including private and community-based programs, that show promise of success with respect to the prevention, assessment, identification, and treatment of child

abuse and neglect and hold the potential for broad scale implementation and replication;'';

(2) in paragraph (2), by striking the period and inserting a semicolon;

(3) by redesignating paragraph (2) as paragraph (3);

(4) by inserting after paragraph (1) the following:

''(2) maintain information about the best practices used for achieving improvements in child protective systems;''; and

(5) by adding at the end the following:

''(4) provide technical assistance upon request that may include an evaluation or identification of—

''(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

''(B) ways to mitigate psychological trauma to the child victim; and

''(C) effective programs carried out by the States under this Act; and

''(5) collect and disseminate information relating to various training resources available at the State and local level to—

''(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

''(B) appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel.''.

(b) COORDINATION WITH AVAILABLE RESOURCES.—Section 103(c)(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5104(c)(1)) is amended—

(1) in subparagraph (E), by striking ''105(a); and'' and inserting ''104(a);'';

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following:

''(F) collect and disseminate information that describes best practices being used throughout the Nation for making appropriate referrals related to, and addressing, the physical, developmental, and mental health needs of abused and neglected children; and''.

SEC. 112. RESEARCH AND ASSISTANCE ACTIVITIES AND DEMONSTRATIONS.

(a) RESEARCH.—Section 104(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5105(a)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), in the first sentence, by inserting '', including longitudinal research,'' after ''interdisciplinary program of research''; and

(B) in subparagraph (B), by inserting before the semicolon the following: '', including the effects of abuse and neglect on a child's development and the identification of successful early intervention services or other services that are needed'';

(C) in subparagraph (C)—

(i) by striking ''judicial procedures'' and inserting ''judicial systems, including multidisciplinary, coordinated decisionmaking procedures''; and

(ii) by striking ''and'' at the end; and

(D) in subparagraph (D)—

(i) in clause (viii), by striking ''and'' at the end;

(ii) by redesignating clause (ix) as clause (x); and

(iii) by inserting after clause (viii), the following:

''(ix) the incidence and prevalence of child maltreatment by a wide array of demographic characteristics such as age, sex, race, family structure, household relationship (including the living arrangement of the resident parent and family size), school enrollment and education attainment, disability, grandparents as caregivers, labor force status, work status in previous year, and income in previous year; and'';

(E) by redesignating subparagraph (D) as subparagraph (I); and

(F) by inserting after subparagraph (C), the following:

''(D) the evaluation and dissemination of best practices consistent with the goals of achieving improvements in the child protective services systems of the States in accordance with paragraphs (1) through (12) of section 106(a);

''(E) effective approaches to interagency collaboration between the child protection system and the juvenile justice system that improve the delivery of services and treatment, including methods for continuity of treatment plan and services as children transition between systems;

''(F) an evaluation of the redundancies and gaps in the services in the field of child abuse and neglect prevention in order to make better use of resources;

''(G) the nature, scope, and practice of voluntary relinquishment for foster care or State guardianship of low income children who need health services, including mental health services;

''(H) the information on the national incidence of child abuse and neglect specified in clauses (i) through (xi) of subparagraph (H); and'';

(2) in paragraph (2), by striking subparagraph (B) and inserting the following:

''(B) Not later than 2 years after the date of enactment of the Keeping Children and Families Safe Act of 2003, and every 2 years thereafter, the Secretary shall provide an opportunity for public comment concerning the priorities proposed under subparagraph (A) and maintain an official record of such public comment.'';

(3) by redesignating paragraph (2) as paragraph (4);

(4) by inserting after paragraph (1) the following:

''(2) RESEARCH.—The Secretary shall conduct research on the national incidence of child abuse and neglect, including the information on the national incidence on child abuse and neglect specified in subparagraphs (i) through (ix) of paragraph (1)(I).

''(3) REPORT.—Not later than 4 years after the date of the enactment of the Keeping Children and Families Safe Act of 2003, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate a report that contains the results of the research conducted under paragraph (2).''.

(b) PROVISION OF TECHNICAL ASSISTANCE.—Section 104(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5105(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''nonprofit private agencies and'' and inserting ''private agencies and community-based''; and

(B) by inserting '', including replicating successful program models,'' after ''programs and activities''; and

(2) in paragraph (2)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(D) effective approaches being utilized to link child protective service agencies with health care, mental health care, and developmental services to improve forensic diagnosis and health evaluations, and barriers and shortages to such linkages.''.

(c) DEMONSTRATION PROGRAMS AND PROJECTS.—Section 104 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5105) is amended by adding at the end the following:

''(e) DEMONSTRATION PROGRAMS AND PROJECTS.—The Secretary may award grants to, and enter into contracts with, States or public or private agencies or organizations (or combinations of such agencies or organizations) for time-limited, demonstration projects for the following:

''(1) PROMOTION OF SAFE, FAMILY-FRIENDLY PHYSICAL ENVIRONMENTS FOR VISITATION AND EXCHANGE.—The Secretary may award grants under this subsection to entities to assist such entities in establishing and operating safe, family-friendly physical environments—

''(A) for court-ordered, supervised visitation between children and abusing parents; and

''(B) to safely facilitate the exchange of children for visits with noncustodial parents in cases of domestic violence.

''(2) EDUCATION IDENTIFICATION, PREVENTION, AND TREATMENT.—The Secretary may award grants under this subsection to entities for projects that provide educational identification, prevention, and treatment services in cooperation with preschool and elementary and secondary schools.

''(3) RISK AND SAFETY ASSESSMENT TOOLS.—The Secretary may award grants under this subsection to entities for projects that provide for the development of effective and research-based risk and safety assessment tools relating to child abuse and neglect.

''(4) TRAINING.—The Secretary may award grants under this subsection to entities for projects that involve effective and research-based innovative training for mandated child abuse and neglect reporters.

''(5) COMPREHENSIVE ADOLESCENT VICTIM/VICTIMIZER PREVENTION PROGRAMS.—The Secretary may award grants to organizations that demonstrate innovation in preventing child sexual abuse through school-based programs in partnership with parents and community-based organizations to establish a network of trainers who will work with schools to implement the program. The program shall be comprehensive, meet State guidelines for health education, and should reduce child sexual abuse by focusing on prevention for both adolescent victims and victimizers.''.

SEC. 113. GRANTS TO STATES AND PUBLIC OR PRIVATE AGENCIES AND ORGANIZATIONS.

(a) DEMONSTRATION PROGRAMS AND PROJECTS.—Section 105(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106(a)) is amended—

(1) in the subsection heading, by striking ''DEMONSTRATION'' and inserting ''GRANTS FOR'';

(2) in the matter preceding paragraph (1)—

(A) by inserting ''States,'' after ''contracts with,'';

(B) by striking ''nonprofit''; and

(C) by striking ''time limited, demonstration'';

(3) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ''nonprofit'';

(B) in subparagraph (A), by striking ''law, education, social work, and other relevant fields'' and inserting ''law enforcement, judiciary, social work and child protection, education, and other relevant fields, or individuals such as court appointed special advocates (CASAs) and guardian ad litem,'';

(C) in subparagraph (B), by striking ''nonprofit'' and all that follows through ''; and'' and inserting ''children, youth and family service organizations in order to prevent child abuse and neglect;'';

(D) in subparagraph (C), by striking the period and inserting a semicolon; and

(E) by adding at the end the following:

''(D) for training to support the enhancement of linkages between child protective service agencies and health care agencies, including physical and mental health services, to improve forensic diagnosis and health evaluations and for innovative partnerships between child protective service agencies and health care agencies that offer creative approaches to using existing Federal, State, local, and private funding to meet the health evaluation needs of children who have been subjects of substantiated cases of child abuse or neglect;

''(E) for the training of personnel in best practices to promote collaboration with the families from the initial time of contact during the investigation through treatment;

''(F) for the training of personnel regarding the legal duties of such personnel and their responsibilities to protect the legal rights of children and families;

''(G) for improving the training of supervisory and nonsupervisory child welfare workers;

''(H) for enabling State child welfare agencies to coordinate the provision of services with State and local health care agencies, alcohol and drug abuse prevention and treatment agencies, mental health agencies, and other public and private welfare agencies to promote child safety, permanence, and family stability;

''(I) for cross training for child protective service workers in effective and research-based methods for recognizing situations of substance abuse, domestic violence, and neglect; and

''(J) for developing, implementing, or operating information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

''(i) professionals and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health care facilities; and

''(ii) the parents of such infants.'';

(4) by redesignating paragraph (2) and (3) as paragraphs (3) and (4), respectively;

(5) by inserting after paragraph (1), the following:

''(2) TRIAGE PROCEDURES.—The Secretary may award grants under this subsection to public and private agencies that demonstrate innovation in responding to reports of child abuse and neglect, including programs of collaborative partnerships between the State child protective services agency, community social service agencies and family support programs, law enforcement agencies, developmental disability agencies, substance abuse treatment entities, health care entities, domestic violence prevention entities, mental health service entities, schools, churches and synagogues, and other community agencies, to allow for the establishment of a triage system that—

''(A) accepts, screens, and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program, or project;

''(B) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

''(C) provides further investigation and intensive intervention where the child's safety is in jeopardy.'';

(6) in paragraph (3) (as so redesignated), by striking ''nonprofit organizations (such as Parents Anonymous)'' and inserting ''organizations'';

(7) in paragraph (4) (as so redesignated)—

(A) by striking the paragraph heading;

(B) by striking subparagraphs (A) and (C); and

(C) in subparagraph (B)—

(i) by striking ''(B) KINSHIP CARE.—'' and inserting the following:

''(4) KINSHIP CARE.—

''(A) IN GENERAL.—''; and

(ii) by striking ''nonprofit''; and

(8) by adding at the end the following:

''(5) LINKAGES BETWEEN CHILD PROTECTIVE SERVICE AGENCIES AND PUBLIC HEALTH, MENTAL HEALTH, AND DEVELOPMENTAL DISABILITIES AGENCIES.—The Secretary may award grants to entities that provide linkages between State or local child protective service agencies and public health, mental health, and developmental disabilities agencies, for the purpose of establishing linkages that are designed to help assure that a greater number of substantiated victims of child maltreatment have their physical health, mental health, and developmental needs appropriately diagnosed and treated, in accordance with all applicable Federal and State privacy laws.''.

(b) DISCRETIONARY GRANTS.—Section 105(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106(b)) is amended—

(1) in the matter preceding paragraph (1), by striking ''subsection (b)'' and inserting ''subsection (a)'';

(2) by striking paragraph (1);

(3) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(4) by inserting after paragraph (2) (as so redesignated), the following:

''(3) Programs based within children's hospitals or other pediatric and adolescent care facilities, that provide model approaches for improving medical diagnosis of child abuse and neglect and for health evaluations of children for whom a report of maltreatment has been substantiated.''; and

(5) in paragraph (4)(D), by striking ''nonprofit''.

(c) EVALUATION.—Section 105(c) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106(c)) is amended—

(1) in the first sentence, by striking ''demonstration'';

(2) in the second sentence, by inserting ''or contract'' after ''or as a separate grant''; and

(3) by adding at the end the following: ''In the case of an evaluation performed by the recipient of a grant, the Secretary shall make available technical assistance for the evaluation, where needed, including the use of a rigorous application of scientific evaluation techniques.''.

(d) TECHNICAL AMENDMENT TO HEADING.—The section heading for section 105 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106) is amended to read as follows:

''SEC. 105. GRANTS TO STATES AND PUBLIC OR PRIVATE AGENCIES AND ORGANIZATIONS.''.

SEC. 114. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.

(a) DEVELOPMENT AND OPERATION GRANTS.—Section 106(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(a)) is amended—

(1) in paragraph (3)—

(A) by inserting '', including ongoing case monitoring,'' after ''case management''; and

(B) by inserting ''and treatment'' after ''and delivery of services'';

(2) in paragraph (4), by striking ''improving'' and all that follows through ''referral systems'' and inserting ''developing, improving, and implementing risk and safety assessment tools and protocols'';

(3) by striking paragraph (7);

(4) by redesignating paragraphs (5), (6), (8), and (9) as paragraphs (6), (8), (9), and (12), respectively;

(5) by inserting after paragraph (4), the following:

''(5) developing and updating systems of technology that support the program and track reports of child abuse and neglect from intake through final disposition and allow interstate and intrastate information exchange;'';

(6) in paragraph (6) (as so redesignated), by striking ''opportunities'' and all that follows through ''system'' and inserting ''including—

''(A) training regarding effective and research-based practices to promote collaboration with the families;

''(B) training regarding the legal duties of such individuals; and

''(C) personal safety training for case workers;'';

(7) by inserting after paragraph (6) (as so redesignated) the following:

''(7) improving the skills, qualifications, and availability of individuals providing services to children and families, and the supervisors of such individuals, through the child protection system, including improvements in the recruitment and retention of caseworkers;'';

(8) by striking paragraph (9) (as so redesignated), and inserting the following:

''(9) developing and facilitating effective and research-based training protocols for individuals mandated to report child abuse or neglect;

''(10) developing, implementing, or operating programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

''(A) existing social and health services;

''(B) financial assistance; and

''(C) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption;

''(11) developing and delivering information to improve public education relating to the role and responsibilities of the child protection system and the nature and basis for reporting suspected incidents of child abuse and neglect;'';

(9) in paragraph (12) (as so redesignated), by striking the period and inserting a semicolon; and

(10) by adding at the end the following:

''(13) supporting and enhancing interagency collaboration between the child protection system and the juvenile justice system for improved delivery of services and treatment, including methods for continuity of treatment plan and services as children transition between systems; or

''(14) supporting and enhancing collaboration among public health agencies, the child protection system, and private community-based programs to provide child abuse and neglect prevention and treatment services (including linkages with education systems) and to address the health needs, including mental health needs, of children identified as abused or neglected, including supporting prompt, comprehensive health and developmental evaluations for children who are the subject of substantiated child maltreatment reports.''.

(b) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—Section 106(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(b)) is amended—

(A) in paragraph (1)(B)—

(i) by striking ''provide notice to the Secretary of any substantive changes'' and inserting the following: ''provide notice to the Secretary—

''(i) of any substantive changes; and'';

(ii) by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(ii) any significant changes to how funds provided under this section are used to support the activities which may differ from the

activities as described in the current State application.'';

(B) in paragraph (2)(A)—

(i) by redesignating clauses (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), and (xiii) as clauses (iv), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi) and (xvii), respectively;

(ii) by inserting after clause (i), the following:

''(ii) policies and procedures (including appropriate referrals to child protection service systems and for other appropriate services) to address the needs of infants born and identified as being affected by illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure;

''(iii) the development of a plan of safe care for the infant born and identified as being affected by illegal substance abuse or withdrawal symptoms;'';

(iii) in clause (iv) (as so redesignated), by inserting ''risk and'' before ''safety'';

(iv) by inserting after clause (iv) (as so redesignated), the following:

''(v) triage procedures for the appropriate referral of a child not at risk of imminent harm to a community organization or voluntary preventive service;'';

(v) in clause (viii)(II) (as so redesignated), by striking '', having a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect'' and inserting '', as described in clause (ix)'';

(vi) by inserting after clause (viii) (as so redesignated), the following:

''(ix) provisions to require a State to disclose confidential information to any Federal, State, or local government entity, or any agent of such entity, that has a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;'';

(vii) in clause (xiii) (as so redesignated)—

(I) by inserting ''who has received training appropriate to the role, and'' after ''guardian ad litem,''; and

(II) by inserting ''who has received training appropriate to that role'' after ''advocate'';

(viii) in clause (xv) (as so redesignated), by striking ''to be effective not later than 2 years after the date of enactment of this section'';

(ix) in clause (xvi) (as so redesignated)—

(I) by striking ''to be effective not later than 2 years after the date of enactment of this section''; and

(II) by striking ''and'' at the end;

(x) in clause (xvii) (as so redesignated), by striking ''clause (xii)'' each place that such appears and inserting ''clause (xvi)''; and

(xi) by adding at the end the following:

''(xviii) provisions and procedures to require that a representative of the child protective services agency shall, at the initial time of contact with the individual subject to a child abuse and neglect investigation, advise the individual of the complaints or allegations made against the individual, in a manner that is consistent with laws protecting the rights of the informant;

''(xix) provisions addressing the training of representatives of the child protective services system regarding the legal duties of the representatives, which may consist of various methods of informing such representatives of such duties, in order to protect the legal rights and safety of children and families from the initial time of contact during investigation through treatment;

''(xx) provisions and procedures for improving the training, retention, and supervision of caseworkers; and

''(xxi) not later than 2 years after the date of enactment of the Keeping Children and Families Safe Act of 2003, provisions and procedures for requiring criminal background record checks for prospective foster and adoptive parents and other adult relatives and non-relatives residing in the household;''; and

(C) in paragraph (2), by adding at the end the following flush sentence:

''Nothing in subparagraph (A) shall be construed to limit the State's flexibility to determine State policies relating to public access to court proceedings to determine child abuse and neglect.''.

(2) LIMITATION.—Section 106(b)(3) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(b)(3)) is amended by striking ''With regard to clauses (v) and (vi) of paragraph (2)(A)'' and inserting ''With regard to clauses (vi) and (vii) of paragraph (2)(A)''.

(c) CITIZEN REVIEW PANELS.—Section 106(c) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(c)) is amended—

(1) in paragraph (4)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by striking ''and procedures'' and inserting '', procedures, and practices''; and

(II) by striking ''the agencies'' and inserting ''State and local child protection system agencies''; and

(ii) in clause (iii)(I), by striking ''State'' and inserting ''State and local''; and

(B) by adding at the end the following:

''(C) PUBLIC OUTREACH.—Each panel shall provide for public outreach and comment in order to assess the impact of current procedures and practices upon children and families in the community and in order to meet its obligations under subparagraph (A).''; and

(2) in paragraph (6)—

(A) by striking ''public'' and inserting ''State and the public''; and

(B) by inserting before the period the following: ''and recommendations to improve the child protection services system at the State and local levels. Not later than 6 months after the date on which a report is submitted by the panel to the State, the appropriate State agency shall submit a written response to the citizen review panel that describes whether or how the State will incorporate the recommendations of such panel (where appropriate) to make measurable progress in improving the State and local child protective system''.

(d) ANNUAL STATE DATA REPORTS.—Section 106(d) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a(d)) is amended by adding at the end the following:

''(13) The annual report containing the summary of the activities of the citizen review panels of the State required by subsection (c)(6).

''(14) The number of children under the care of the State child protection system who are transferred into the custody of the State juvenile justice system.''.

(e) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to Congress a report that describes the extent to which States are implementing the policies and procedures required under section 106(b)(2)(B)(ii) of the Child Abuse Prevention and Treatment Act.

SEC. 115. MISCELLANEOUS REQUIREMENTS RELATING TO ASSISTANCE.

Section 108 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106d) is amended by adding at the end the following:

''(d) GAO STUDY.—Not later than February 1, 2004, the Comptroller General of the United States shall conduct a survey of a wide range of State and local child protection service systems to evaluate and submit to Congress a report concerning—

''(1) the current training (including cross-training in domestic violence or substance abuse) of child protective service workers in the outcomes for children and to analyze and evaluate the effects of caseloads, compensation, and supervision on staff retention and performance;

''(2) the efficiencies and effectiveness of agencies that provide cross-training with court personnel; and

''(3) recommendations to strengthen child protective service effectiveness to improve outcomes for children.

''(e) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary should encourage all States and public and private agencies or organizations that receive assistance under this title to ensure that children and families with limited English proficiency who participate in programs under this title are provided materials and services under such programs in an appropriate language other than English.

''(f) ANNUAL REPORT ON CERTAIN PROGRAMS.—A State that receives funds under section 106(a) shall annually prepare and submit to the Secretary a report describing the manner in which funds provided under this Act, alone or in combination with other Federal funds, were used to address the purposes and achieve the objectives of section 105(a)(4)(B).''.

SEC. 116. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL AUTHORIZATION.—Section 112(a)(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106h(a)(1)) is amended to read as follows:

''(1) GENERAL AUTHORIZATION.—There are authorized to be appropriated to carry out this title $120,000,000 for fiscal year 2004 and such sums as may be necessary for each of the fiscal years 2005 through 2008.''.

(b) DEMONSTRATION PROJECTS.—Section 112(a)(2)(B) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106h(a)(2)(B)) is amended—

(1) by striking ''Secretary make'' and inserting ''Secretary shall make''; and

(2) by striking ''section 106'' and inserting ''section 104''.

SEC. 117. REPORTS.

Section 110 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106f) is amended by adding at the end the following:

''(c) STUDY AND REPORT RELATING TO CITIZEN REVIEW PANELS.—

''(1) STUDY.—The Secretary shall conduct a study by random sample of the effectiveness of the citizen review panels established under section 106(c).

''(2) REPORT.—Not later than 3 years after the date of enactment of the Keeping Children and Families Safe Act of 2003, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that contains the results of the study conducted under paragraph (1).''.

Subtitle B—Community-Based Grants for the Prevention of Child Abuse

SEC. 121. PURPOSE AND AUTHORITY.

(a) PURPOSE.—Section 201(a)(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116(a)(1)) is amended to read as follows:

''(1) to support community-based efforts to develop, operate, expand, enhance, and, where appropriate to network, initiatives aimed at the prevention of child abuse and neglect, and to support networks of coordinated resources and activities to better strengthen and support families to reduce the likelihood of child abuse and neglect; and''.

(b) AUTHORITY.—Section 201(b) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116(b)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A) by striking ''Statewide'' and all that follows through the dash, and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate) that are accessible, effective, culturally appropriate, and build upon existing strengths-that—'';

(B) in subparagraph (F), by striking ''and'' at the end; and

(C) by striking subparagraph (G) and inserting the following:

''(G) demonstrate a commitment to meaningful parent leadership, including among parents of children with disabilities, parents with disabilities, racial and ethnic minorities, and members of other underrepresented or underserved groups; and

''(H) provide referrals to early health and developmental services;''; and

(2) in paragraph (4)—

(A) by inserting ''through leveraging of funds'' after ''maximizing funding'';

(B) by striking ''a Statewide network of community-based, prevention-focused'' and inserting ''community-based and prevention-focused''; and

(C) by striking ''family resource and support program'' and inserting ''programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)''.

(c) TECHNICAL AMENDMENT TO TITLE HEADING.—Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116) is amended by striking the heading for such title and inserting the following:

''TITLE II—COMMUNITY–BASED GRANTS FOR THE PREVENTION OF CHILD ABUSE AND NEGLECT''.

SEC. 122. ELIGIBILITY.

Section 202 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116a) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking ''a Statewide network of community-based, prevention-focused'' and inserting ''community-based and prevention-focused''; and

(ii) by striking ''family resource and support programs'' and all that follows through the semicolon and inserting ''programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate);''

(B) in subparagraph (B), by inserting ''that exists to strengthen and support families to prevent child abuse and neglect'' after ''written authority of the State)'';

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''a network of community-based family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)'';

(B) in subparagraph (B)—

(i) by striking ''to the network''; and

(ii) by inserting '', and parents with disabilities'' before the semicolon;

(C) in subparagraph (C), by striking ''to the network''; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking ''Statewide network of community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)'';

(B) in subparagraph (B), by striking ''Statewide network of community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)'';

(C) in subparagraph (C), by striking ''and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs'' and inserting ''training, technical assistance, and evaluation assistance, to community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)''; and

(D) in subparagraph (D), by inserting '', parents with disabilities,'' after ''children with disabilities''.

SEC. 123. AMOUNT OF GRANT.

Section 203 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116b) is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''as the amount leveraged by the State from private, State, or other non-Federal sources and directed through the'' and inserting ''as the amount of private, State or other non-Federal funds leveraged and directed through the currently designated'';

(B) by striking ''State lead agency'' and inserting ''State lead entity''; and

(C) by striking ''the lead agency'' and inserting ''the current lead entity''; and

(2) in subsection (c)(2), by striking ''subsection (a)'' and inserting ''subsection (b)''.

SEC. 124. EXISTING GRANTS.

Section 204 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5115c) is repealed.

SEC. 125. APPLICATION.

Section 205 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116d) is amended—

(1) in paragraph (1), by striking ''Statewide network of community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)'';

(2) in paragraph (2)—

(A) by striking ''network of community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect (through networks where appropriate)''; and

(B) by striking '', including those funded by programs consolidated under this Act,'';

(3) by striking paragraph (3), and inserting the following:

''(3) a description of the inventory of current unmet needs and current community-based and prevention-focused programs and activities to prevent child abuse and neglect, and other family resource services operating in the State;'';

(4) in paragraph (4), by striking ''State's network of community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect'';

(5) in paragraph (5), by striking ''Statewide network of community-based, prevention-focused, family resource and support programs'' and inserting ''start up, maintenance, expansion, and redesign of community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect'';

(6) in paragraph (7), by striking ''individual community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect'';

(7) in paragraph (8), by striking ''community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect'';

(8) in paragraph (9), by striking ''community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect'';

(9) in paragraph (10), by inserting ''(where appropriate)'' after ''members'';

(10) in paragraph (11), by striking ''prevention-focused, family resource and support program'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect''; and

(11) by redesignating paragraph (13) as paragraph (12).

SEC. 126. LOCAL PROGRAM REQUIREMENTS.

Section 206(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116e(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''prevention-focused, family resource and support programs'' and inserting ''and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect'';

(2) in paragraph (3)(B), by inserting ''voluntary home visiting and'' after ''including''; and

(3) by striking paragraph (6) and inserting the following:

''(6) participate with other community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect in the development, operation and expansion of networks where appropriate.''.

SEC. 127. PERFORMANCE MEASURES.

Section 207 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116f) is amended—

(1) in paragraph (1), by striking ''a Statewide network of community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect'';

(2) by striking paragraph (3), and inserting the following:

''(3) shall demonstrate that they will have addressed unmet needs identified by the inventory and description of current services required under section 205(3);'';

(3) in paragraph (4),

(A) by inserting ''and parents with disabilities,'' after ''children with disabilities,''; and

(B) by striking ''evaluation of'' the first place it appears and all that follows through ''under this title'' and inserting ''evaluation of community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect, and in the design, operation and evaluation of the networks of such community-based and prevention-focused programs'';

(4) in paragraph (5), by striking '', prevention-focused, family resource and support programs'' and inserting ''and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect'';

(5) in paragraph (6), by striking ''Statewide network of community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect''; and

(6) in paragraph (8), by striking ''community based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect''.

SEC. 128. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.

Section 208(3) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116g(3)) is amended by striking ''Statewide networks of community-based, prevention-focused, family resource and support programs'' and inserting ''community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect''.

SEC. 129. DEFINITIONS.

(a) CHILDREN WITH DISABILITIES.—Section 209(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116h(1)) is amended by striking ''given such term in section 602(a)(2)'' and inserting ''given the term 'child with a disability' in section 602(3) or 'infant or toddler with a disability' in section 632(5)''.

(b) COMMUNITY-BASED AND PREVENTION-FOCUSED PROGRAMS AND ACTIVITIES TO PREVENT CHILD ABUSE AND NEGLECT.—Section 209 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116h) is amended by striking paragraphs (3) and (4) and inserting the following:

''(3) COMMUNITY-BASED AND PREVENTION-FOCUSED PROGRAMS AND ACTIVITIES TO PREVENT CHILD ABUSE AND NEGLECT.—The term 'community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect' includes organizations such as family resource programs, family support programs, voluntary home visiting programs, respite care programs, parenting education, mutual support programs, and other community programs or networks of such programs that provide activities that are designed to prevent or respond to child abuse and neglect.''.

SEC. 130. AUTHORIZATION OF APPROPRIATIONS.

Section 210 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116i) is amended to read as follows:

''SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title $80,000,000 for fiscal year 2004 and such sums as may be necessary for each of the fiscal years 2005 through 2008.''.

Subtitle C—Conforming Amendments

SEC. 141. CONFORMING AMENDMENTS.

The table of contents of the Child Abuse Prevention and Treatment Act, as contained in section 1(b) of such Act (42 U.S.C. 5101 note), is amended as follows:

(1) By striking the item relating to section 105 and inserting the following:

''Sec. 105. Grants to States and public or private agencies and organizations.''.

(2) By striking the item relating to title II and inserting the following:

''TITLE II—COMMUNITY-BASED GRANTS FOR THE PREVENTION OF CHILD ABUSE AND NEGLECT''.

(3) By striking the item relating to section 204.

TITLE II—ADOPTION OPPORTUNITIES

SEC. 201. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.

Section 201 of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) by striking paragraphs (1) through (4) and inserting the following:

''(1) the number of children in substitute care has increased by nearly 24 percent since 1994, as our Nation's foster care population included more than 565,000 as of September of 2001;

''(2) children entering foster care have complex problems that require intensive services, with many such children having special needs because they are born to mothers who did not receive prenatal care, are born with life threatening conditions or disabilities, are born addicted to alcohol or other drugs, or have been exposed to infection with the etiologic agent for the human immunodeficiency virus;

''(3) each year, thousands of children are in need of placement in permanent, adoptive homes;'';

(B) by striking paragraph (6);

(C) by striking paragraph (7)(A) and inserting the following:

''(7)(A) currently, there are 131,000 children waiting for adoption;''; and

(D) by redesignating paragraphs (5), (7), (8), (9), and (10) as paragraphs (4), (5), (6), (7), and (8) respectively; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting '', including geographic barriers,'' after ''barriers''; and

(B) in paragraph (2), by striking ''a national'' and inserting ''an Internet-based national''.

SEC. 202. INFORMATION AND SERVICES.

Section 203 of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5113) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 203. INFORMATION AND SERVICES.'';

(2) by striking ''SEC. 203. (a) The Secretary'' and inserting the following:

''(a) IN GENERAL.—The Secretary'';

(3) in subsection (b)—

(A) by inserting ''REQUIRED ACTIVITIES.—'' after ''(b)'';

(B) in paragraph (1), by striking ''nonprofit'' each place that such appears;

(C) in paragraph (2), by striking ''nonprofit'';

(D) in paragraph (3), by striking ''nonprofit'';

(E) in paragraph (4), by striking ''nonprofit'';

(F) in paragraph (6), by striking ''study the nature, scope, and effects of'' and insert ''support'';

(G) in paragraph (7), by striking ''nonprofit'';

(H) in paragraph (9)—

(i) by striking ''nonprofit''; and

(ii) by striking ''and'' at the end;

(I) in paragraph (10)—

(i) by striking ''nonprofit''; each place that such appears; and

(ii) by striking the period at the end and inserting ''; and''; and

(J) by adding at the end the following:

''(11) provide (directly or by grant to or contract with States, local government entities, or public or private licensed child welfare or adoption agencies) for the implementation of programs that are intended to increase the number of older children (who are in foster care and with the goal of adoption) placed in adoptive families, with a special emphasis on child-specific recruitment strategies, including—

''(A) outreach, public education, or media campaigns to inform the public of the needs and numbers of older youth available for adoption;

''(B) training of personnel in the special needs of older youth and the successful strategies of child-focused, child-specific recruitment efforts; and

''(C) recruitment of prospective families for such children.'';

(4) in subsection (c)—

(A) by striking ''(c)(1) The Secretary'' and inserting the following:

''(c) SERVICES FOR FAMILIES ADOPTING SPECIAL NEEDS CHILDREN.—

''(1) IN GENERAL.—The Secretary'';

(B) by striking ''(2) Services'' and inserting the following:

''(2) SERVICES.—Services''; and

(C) in paragraph (2)—

(i) by realigning the margins of subparagraphs (A) through (G) accordingly;

(ii) in subparagraph (F), by striking ''and'' at the end;

(iii) in subparagraph (G), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

''(H) day treatment; and

''(I) respite care.''; and

(D) by striking ''nonprofit''; each place that such appears;

(5) in subsection (d)—

(A) by striking ''(d)(1) The Secretary'' and inserting the following:

''(d) IMPROVING PLACEMENT RATE OF CHILDREN IN FOSTER CARE.—

''(1) IN GENERAL.—The Secretary'';

(B) by striking ''(2)(A) Each State'' and inserting the following:

''(2) APPLICATIONS; TECHNICAL AND OTHER ASSISTANCE.—

''(A) APPLICATIONS.—Each State'';

(C) by striking ''(B) The Secretary'' and inserting the following:

''(B) TECHNICAL AND OTHER ASSISTANCE.—The Secretary'';

(D) in paragraph (2)(B)—

(i) by realigning the margins of clauses (i) and (ii) accordingly; and

(ii) by striking ''nonprofit'';

(E) by striking ''(3)(A) Payments'' and inserting the following:

''(3) PAYMENTS.—

''(A) IN GENERAL.—Payments''; and

(F) by striking ''(B) Any payment'' and inserting the following:

''(B) REVERSION OF UNUSED FUNDS.—Any payment''; and

(6) by adding at the end the following:

''(e) ELIMINATION OF BARRIERS TO ADOPTIONS ACROSS JURISDICTIONAL BOUNDARIES.—

''(1) IN GENERAL.—The Secretary shall award grants to, or enter into contracts with, States, local government entities, public or private child welfare or adoption agencies, adoption exchanges, or adoption family groups to carry out initiatives to improve efforts to eliminate barriers to placing children for adoption across jurisdictional boundaries.

''(2) SERVICES TO SUPPLEMENT NOT SUPPLANT.—Services provided under grants made under this subsection shall supplement, not supplant, services provided using any other funds made available for the same general purposes including—

''(A) developing a uniform homestudy standard and protocol for acceptance of homestudies between States and jurisdictions;

''(B) developing models of financing cross-jurisdictional placements;

''(C) expanding the capacity of all adoption exchanges to serve increasing numbers of children;

''(D) developing training materials and training social workers on preparing and moving children across State lines; and

''(E) developing and supporting initiative models for networking among agencies, adoption exchanges, and parent support groups across jurisdictional boundaries.''.

SEC. 203. STUDY OF ADOPTION PLACEMENTS.

Section 204 of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5114) is amended—

(1) by striking ''The'' and inserting ''(a) IN GENERAL.—The'';

(2) by striking ''of this Act'' and inserting ''of the Keeping Children and Families Safe Act of 2003'';

(3) by striking ''to determine the nature'' and inserting ''to determine—

''(1) the nature'';

(4) by striking ''which are not licensed'' and all that follows through ''entity'';''; and

(5) by adding at the end the following:

''(2) how interstate placements are being financed across State lines;

''(3) recommendations on best practice models for both interstate and intrastate adoptions; and

''(4) how State policies in defining special needs children differentiate or group similar categories of children.''.

SEC. 204. STUDIES ON SUCCESSFUL ADOPTIONS.

Section 204 of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5114) is amended by adding at the end the following:

''(b) DYNAMICS OF SUCCESSFUL ADOPTION.—The Secretary shall conduct research (directly or by grant to, or contract with, public or private nonprofit research agencies or organizations) about adoption outcomes and the factors affecting those outcomes. The Secretary shall submit a report containing the results of such research to the appropriate committees of the Congress not later than the date that is 36 months after the date of the enactment of the Keeping Children and Families Safe Act of 2003.

''(c) INTERJURISDICTIONAL ADOPTION.—Not later than 1 year after the date of the enactment of the Keeping Children and Families Safe Act of 2003, the Secretary, in consultation with the Comptroller General, shall submit to the appropriate committees of the Congress a report that contains recommendations for an action plan to facilitate the interjurisdictional adoption of foster children.''.

SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

Section 205(a) of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5115(a)) is amended to read as follows:

''There are authorized to be appropriated $40,000,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008 to carry out programs and activities authorized under this subtitle.''.

TITLE III—ABANDONED INFANTS ASSISTANCE

SEC. 301. FINDINGS.

Section 2 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended—

(1) by striking paragraph (1);

(2) in paragraph (2)—

(A) by inserting ''studies indicate that a number of factors contribute to'' before ''the inability of'';

(B) by inserting ''some'' after ''inability of'';

(C) by striking ''who abuse drugs''; and

(D) by striking ''care for such infants'' and inserting ''care for their infants'';

(3) by amending paragraph (5) to read as follows:

''(5) appropriate training is needed for personnel working with infants and young children with life-threatening conditions and other special needs, including those who are infected with the human immunodeficiency virus (commonly known as 'HIV'), those who have acquired immune deficiency syndrome (commonly known as 'AIDS'), and those who have been exposed to dangerous drugs;'';

(4) by striking paragraphs (6) and (7);

(5) in paragraph (8)—

(A) by striking ''such infants and young children'' and inserting ''infants and young children who are abandoned in hospitals''; and

(B) by inserting ''by parents abusing drugs,'' after ''deficiency syndrome,'';

(6) in paragraph (9), by striking ''comprehensive services'' and all that follows through the semicolon at the end and inserting ''comprehensive support services for such infants and young children and their families and services to prevent the abandonment of such infants and young children, including foster care services, case management services, family support services, respite and crisis intervention services, counseling services, and group residential home services;'';

(7) by striking paragraph (11);

(8) by redesignating paragraphs (2), (3), (4), (5), (8), (9), and (10) as paragraphs (1) through (7), respectively; and

(9) by adding at the end the following:

''(8) private, Federal, State, and local resources should be coordinated to establish and maintain services described in paragraph (7) and to ensure the optimal use of all such resources.''.

SEC. 302. ESTABLISHMENT OF LOCAL PROJECTS.

Section 101 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 101. ESTABLISHMENT OF LOCAL PROJECTS.'';

and

(2) by striking subsection (b) and inserting the following:

''(b) PRIORITY IN PROVISION OF SERVICES.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees to give priority to abandoned infants and young children who—

''(1) are infected with, or have been perinatally exposed to, the human immunodeficiency virus, or have a life-threatening illness or other special medical need; or

''(2) have been perinatally exposed to a dangerous drug.''.

SEC. 303. EVALUATIONS, STUDY, AND REPORTS BY SECRETARY.

Section 102 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended to read as follows:

''SEC. 102. EVALUATIONS, STUDY, AND REPORTS BY SECRETARY.

''(a) EVALUATIONS OF LOCAL PROGRAMS.—The Secretary shall, directly or through contracts with public and nonprofit private entities, provide for evaluations of projects carried out under section 101 and for the dissemination of information developed as a result of such projects.

''(b) STUDY AND REPORT ON NUMBER OF ABANDONED INFANTS AND YOUNG CHILDREN.—

''(1) IN GENERAL.—The Secretary shall conduct a study for the purpose of determining—

''(A) an estimate of the annual number of infants and young children relinquished, abandoned, or found deceased in the United States and the number of such infants and young children who are infants and young children described in section 101(b);

''(B) an estimate of the annual number of infants and young children who are victims of homicide;

''(C) characteristics and demographics of parents who have abandoned an infant within 1 year of the infant's birth; and

''(D) an estimate of the annual costs incurred by the Federal Government and by State and local governments in providing housing and care for abandoned infants and young children.

''(2) DEADLINE.—Not later than 36 months after the date of enactment of the Keeping Children and Families Safe Act of 2003, the Secretary shall complete the study required under paragraph (1) and submit to Congress a report describing the findings made as a result of the study.

''(c) EVALUATION.—The Secretary shall evaluate and report on effective methods of intervening before the abandonment of an infant or young child so as to prevent such abandonments, and effective methods for responding to the needs of abandoned infants and young children.''.

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 104 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—

''(1) AUTHORIZATION.—For the purpose of carrying out this Act, there are authorized to be appropriated $45,000,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008.

''(2) LIMITATION.—Not more than 5 percent of the amounts appropriated under paragraph (1) for any fiscal year may be obligated for carrying out section 102(a).'';

(2) by striking subsection (b);

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting ''AUTHORIZATION.—'' after ''(1)'' the first place it appears; and

(ii) by striking ''this title'' and inserting ''this Act''; and

(B) in paragraph (2)—

(i) by inserting ''LIMITATION.—'' after ''(2)''; and

(ii) by striking ''fiscal year 1991.'' and inserting ''fiscal year 2003.''; and

(4) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) REDESIGNATION.—The Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended—

(1) by redesignating section 104 as section 302; and

(2) by moving that section 302 to the end of that Act.

SEC. 305. DEFINITIONS.

(a) IN GENERAL.—Section 301 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended to read as follows:

''SEC. 301. DEFINITIONS.

''In this Act:

''(1) ABANDONED; ABANDONMENT.—The terms 'abandoned' and 'abandonment', used with respect to infants and young children, mean that the infants and young children are medically cleared for discharge from acute-care hospital settings, but remain hospitalized because of a lack of appropriate out-of-hospital placement alternatives.

''(2) ACQUIRED IMMUNE DEFICIENCY SYNDROME.—The term 'acquired immune deficiency syndrome' includes infection with the etiologic agent for such syndrome, any condition indicating that an individual is infected with such etiologic agent, and any condition arising from such etiologic agent.

''(3) DANGEROUS DRUG.—The term 'dangerous drug' means a controlled substance, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

''(4) NATURAL FAMILY.—The term 'natural family' shall be broadly interpreted to include natural parents, grandparents, family members, guardians, children residing in the household, and individuals residing in the household on a continuing basis who are in a care-giving situation, with respect to infants and young children covered under this Act.

''(5) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.''.

(b) REPEAL.—Section 103 of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is repealed.

TITLE IV—FAMILY VIOLENCE PREVENTION AND SERVICES ACT

SEC. 401. STATE DEMONSTRATION GRANTS.

(a) UNDERSERVED POPULATIONS.—Section 303(a)(2)(C) of the Family Violence Prevention and Services Act (42 U.S.C. 10402(a)(2)(C)) is amended by striking ''underserved populations,'' and all that follows and inserting the following: ''underserved populations, as defined in section 2007 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2);''.

(b) REPORT.—Section 303(a) of such Act (42 U.S.C. 10402(a)) is amended by adding at the end the following:

''(5) Upon completion of the activities funded by a grant under this title, the State shall submit to the Secretary a report that contains a description of the activities carried out under paragraph (2)(B)(i).''.

(c) CHILDREN WHO WITNESS DOMESTIC VIOLENCE.—Section 303 of such Act (42 U.S.C. 10402) is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

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

''(c) For a fiscal year described in section 310(a)(2), the Secretary shall use funds made available under that section to make grants, on a competitive basis, to eligible entities for projects designed to address the needs of children who witness domestic violence, to—

''(1) provide direct services for children who witness domestic violence;

''(2) provide for training for and collaboration among child welfare agencies, domestic violence victim service providers, courts, law enforcement, and other entities; and

''(3) provide for multisystem interventions for children who witness domestic violence.''.

SEC. 402. SECRETARIAL RESPONSIBILITIES.

Section 305(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10404(a)) is amended—

(1) by striking ''an employee'' and inserting ''1 or more employees'';

(2) by striking ''of this title.'' and inserting ''of this title, including carrying out evaluation and monitoring under this title.''; and

(3) by striking ''The individual'' and inserting ''Any individual''.

SEC. 403. EVALUATION.

Section 306 of the Family Violence Prevention and Services Act (42 U.S.C. 10405) is amended in the first sentence by striking ''Not later than two years after the date on which funds are obligated under section 303(a) for the first time after the date of the enactment of this title, and every two years thereafter,'' and inserting ''Every 2 years,''.

SEC. 404. INFORMATION AND TECHNICAL ASSISTANCE CENTERS.

Section 308 of the Family Violence Prevention and Services Act (42 U.S.C. 10407) is amended by striking subsection (g).

SEC. 405. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL AUTHORIZATION.—Section 310(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10409(a)) is amended to read as follows:

''(a) IN GENERAL.—

''(1) AUTHORIZATION.—There are authorized to be appropriated to carry out sections 303 through 311, $175,000,000 for each of fiscal years 2004 through 2008.

''(2) PROJECTS TO ADDRESS NEEDS OF CHILDREN WHO WITNESS DOMESTIC VIOLENCE.—For a fiscal year in which the amounts appropriated under paragraph (1) exceed $150,000,000, the Secretary shall reserve and make available 50 percent of the excess to carry out section 303(c).''.

(b) ALLOCATIONS FOR OTHER PROGRAMS.—Subsections (b), (c), and (d) of section 310 of such Act (42 U.S.C. 10409) are amended by inserting ''(and not reserved under subsection (a)(2))'' after ''each fiscal year''.

(c) GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.—Section 311(g) of such Act (42 U.S.C. 10410(g)) is amended to read as follows:

''(g) FUNDING.—Of the amount appropriated under section 310(a) for a fiscal year (and not reserved under section 310(a)(2)), not less than 10 percent of such amount shall be made available to award grants under this section.''.

SEC. 406. GRANTS FOR STATE DOMESTIC VIOLENCE COALITIONS.

Section 311 of the Family Violence Prevention and Services Act (42 U.S.C. 10410) is amended by striking subsection (h).

SEC. 407. EVALUATION AND MONITORING.

Section 312 of the Family Violence Prevention and Services Act (42 U.S.C. 10412) is amended by adding at the end the following:

''(c) Of the amount appropriated under section 310(a) for each fiscal year (and not reserved under section 310(a)(2)), not more than 2.5 percent shall be used by the Secretary for evaluation, monitoring, and other administrative costs under this title.''.

SEC. 408. FAMILY MEMBER ABUSE INFORMATION AND DOCUMENTATION PROJECT.

Section 313 of the Family Violence Prevention and Services Act (42 U.S.C. 10413) is repealed.

SEC. 409. MODEL STATE LEADERSHIP GRANTS.

Section 315 of the Family Violence Prevention and Services Act (42 U.S.C. 10415) is repealed.

SEC. 410. NATIONAL DOMESTIC VIOLENCE HOTLINE GRANT.

(a) DURATION.—Section 316(b) of the Family Violence Prevention and Services Act (42 U.S.C. 10416(b)) is amended—

(1) by striking ''A grant'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), a grant''; and

(2) by adding at the end the following:

''(2) EXTENSION.—The Secretary may extend the duration of a grant under this section beyond the period described in paragraph (1) if, prior to such extension—

''(A) the entity prepares and submits to the Secretary a report that evaluates the effectiveness of the use of amounts received under the grant for the period described in paragraph (1) and contains any other information the Secretary may prescribe; and

''(B) the report and other appropriate criteria indicate that the entity is successfully operating the hotline in accordance with subsection (a).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 316(f) of such Act (42 U.S.C. 10416(f)) is repealed.

SEC. 411. YOUTH EDUCATION AND DOMESTIC VIOLENCE.

Section 317 of the Family Violence Prevention and Services Act (42 U.S.C. 10417) is repealed.

SEC. 412. NATIONAL DOMESTIC VIOLENCE SHELTER NETWORK.

The Family Violence Prevention and Services Act is amended by inserting after section 316 (42 U.S.C. 10416) the following:

''SEC. 317. NATIONAL DOMESTIC VIOLENCE SHELTER NETWORK.

''(a) IN GENERAL.—For a year in which the Secretary makes an amount available under subsection (g)(2), the Secretary shall award a grant to a nonprofit organization to establish and operate a highly secure Internet website (referred to in this section as the 'website') that shall—

''(1) link, to the greatest extent possible, entities consisting of the entity providing the national domestic violence hotline, participating domestic violence shelters in the United States, State and local domestic violence agencies, and other domestic violence organization, so that such entities will be able to connect a victim of domestic violence to the most safe, appropriate, and convenient domestic violence shelter; and

''(2) contain, to the maximum extent practicable, continuously updated information concerning the availability of services and space in domestic violence shelters across the United States.

''(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, a nonprofit organization shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require. The application shall—

''(1) demonstrate the experience of the applicant in successfully developing and managing a technology-based network of domestic violence shelters;

''(2) demonstrate a record of success of the applicant in meeting the needs of domestic violence victims and their families; and

''(3) include a certification that the applicant will—

''(A) implement a high level security system to ensure the confidentiality of the website;

''(B) establish, within 5 years, a website that links the entities described in subsection (a)(1);

''(C) consult with the entities described in subsection (a)(1) in developing and implementing the website and providing Internet connections; and

''(D) otherwise comply with the requirements of this section.

''(c) USE OF GRANT AWARD.—The recipient of a grant award under this section shall—

''(1) collaborate with officials of the Department of Health and Human Services in a manner determined to be appropriate by the Secretary;

''(2) collaborate with the entity providing the national domestic violence hotline in developing and implementing the network;

''(3) ensure that the website is continuously updated and highly secure;

''(4) ensure that the website provides information describing the services of each domestic violence shelter to which the website is linked, including information for individuals with limited English proficiency and information concerning access to medical care, social services, transportation, services for children, and other relevant services;

''(5) ensure that the website provides up-to-the-minute information on available bed space in domestic violence shelters across the United States, to the maximum extent practicable;

''(6) provide training to the staff of the hotline and to staff of the other entities described in subsection (a)(1) regarding how to use the website to best meet the needs of callers;

''(7) provide Internet access, and hardware in necessary cases, to domestic violence shelters in the United States that do not have the appropriate technology for such access, to the maximum extent practicable; and

''(8) ensure that after the third year of the website project, the recipient will develop a plan to expand the sources of funding for the website to include funding from public and private entities, although nothing in this paragraph shall preclude a grant recipient under this section from raising funds from other sources at any time during the 5-year grant period.

''(d) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to require any shelter or service provider, whether public or private, to be linked to the website or to provide information to the recipient of the grant award or to the website.

''(e) DURATION OF GRANT.—The term of a grant awarded under this section shall be 5 years.

''(f) TECHNICAL ASSISTANCE AND OVERSIGHT.—The Secretary shall—

''(1) provide technical assistance, if requested, on developing and managing the website; and

''(2) have access to, and monitor, the website.

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out section 316 and this section, $5,000,000 for fiscal year 2004 and such sums as may be necessary for each of fiscal years 2005 through 2008.

''(2) CONDITIONS ON APPROPRIATIONS.—Notwithstanding paragraph (1), the Secretary shall make available a portion of the amounts appropriated under paragraph (1) to carry out this section only for any fiscal year for which the amounts appropriated under paragraph (1) exceed $3,000,000.

''(3) ADMINISTRATIVE COSTS.—Of the amount made available to carry out this section for a fiscal year the Secretary may not use more than 2 percent for administrative costs associated with the grant program carried out under this section, of which not more than 5 percent shall be used to assist the entity providing the national domestic violence hotline to participate in the establishment of the website.

''(4) AVAILABILITY.—Funds appropriated under paragraph (1) shall remain available until expended.''.

SEC. 413. DEMONSTRATION GRANTS FOR COMMUNITY INITIATIVES.

(a) IN GENERAL.—Section 318(h) of the Family Violence Prevention and Services Act (42 U.S.C. 10418(h)) is amended to read as follows:

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $6,000,000 for each of fiscal years 2004 through 2008.''.

(b) REGULATIONS.—Section 318 of such Act (42 U.S.C. 10418) is amended by striking subsection (i).

SEC. 414. TRANSITIONAL HOUSING ASSISTANCE.

Section 319(f) of the Family Violence Prevention and Services Act (42 U.S.C. 10419(f)) is amended by striking ''fiscal year 2001'' and inserting ''each of fiscal years 2004 through 2008''.

SEC. 415. TECHNICAL AND CONFORMING AMENDMENTS.

The Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) is amended—

(1) in section 302(1) (42 U.S.C. 10401(1)) by striking ''demonstrate the effectiveness of assisting'' and inserting ''assist'';

(2) in section 303(a) (42 U.S.C. 10402(a))—

(A) in paragraph (2)—

(i) in subparagraph (C), by striking ''State domestic violence coalitions knowledgeable individuals and interested organizations'' and inserting ''State domestic violence coalitions, knowledgeable individuals, and interested organizations''; and

(ii) in subparagraph (F), by adding ''and'' at the end; and

(B) by aligning the margins of paragraph (4) with the margins of paragraph (3);

(3) in section 303(g) (as so redesignated)—

(A) in the first sentence, by striking ''309(4)'' and inserting ''320''; and

(B) in the second sentence, by striking ''309(5)(A)'' and inserting ''320(5)(A)'';

(4) in section 305(b)(2)(A) (42 U.S.C. 10404(b)(2)(A)) by striking ''provide for research, and into'' and inserting ''provide for research into'';

(5) by redesignating section 309 as section 320 and moving that section to the end of the Act; and

(6) in section 311(a) (42 U.S.C. 10410(a))—

(A) in paragraph (2)(K), by striking ''other criminal justice professionals,;'' and inserting ''other criminal justice professionals;'' and

(B) in paragraph (3)—

(i) in the matter preceding subparagraph (A), by striking ''family law judges,,'' and inserting ''family law judges,'';

(ii) in subparagraph (D), by inserting '', criminal court judges,'' after ''family law judges''; and

(iii) in subparagraph (H), by striking ''supervised visitations that do not endanger victims and their children'' and inserting ''supervised visitations or denial of visitation to protect against danger to victims or their children''.

APPOINTMENTS

THE PRESIDING OFFICER. The Chair, on behalf of the Majority Leader, in consultation with the Democratic Leader, pursuant to Public Law 68–541, as amended by Public Law 102–246, reappoints John W. Kluge, of New York as a member of the Library of Congress Trust Fund Board for a term of five years.

The Chair, on behalf of the Majority Leader, pursuant to Public Law 100–458, reappoints Wiliam E. Cresswell, of Mississippi, to the Board of Trustees of the John C. Stennis Center for Public Service Training and Development, for a six-year term, commencing on October 11, 2002.

The Chair, on behalf of the President of the Senate, and after consultation with the Majority Leader, pursuant to Public Law 106–286, appoints the following Members to serve on the Congressional-Executive Commission on the People's Republic of China: The Senator from Kansas, Mr. BROWNBACK; the Senator from Oregon, Mr. SMITH; the Senator from Wyoming, Mr. THOMAS; the Senator from Kansas, Mr. ROBERTS; and the Senator from Nebraska, Mr. HAGEL, Chairman.

The Chair, on behalf of the Vice President, pursuant to Public Law 94–304, as amended by Public Law 99–7, appoints the following Senators as members of the Commission on Security and Cooperation in Europe (Helsinki) during the 108th Congress: The Senator from Kansas, Mr. BROWNBACK; the Senator from Oregon, Mr. SMITH; the Senator from Texas, Mrs. HUTCHISON; and the Senator from Georgia, Mr. CHAMBLISS.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed immediately to executive session to consider the following nominations on today's executive calendar: Calendar Nos. 62, 63, 64, 65, 66, 67, 68, 69, and all nominations on the Secretary's desk. I further ask unanimous consent that the nominations be confirmed en bloc, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations were considered and confirmed, as follows:

NOMINATIONS

DEPARTMENT OF TRANSPORTATION

Ellen G. Engleman, of Indiana, to be Chairman of the National Transportation Safety Board for a term of two years.

Ellen G. Engleman, of Indiana, to be a Member of the National Transportation Safety Board for a term expiring December 31, 2007.

Richard F. Healing, of Virginia, to be a Member of the National Transportation Safety Board for a term expiring December 31, 2006.

Mark V. Rosenker, of Maryland, to be a Member of the National Transportation Safety Board for the remainder of the term expiring December 31, 2005.

DEPARTMENT OF HOMELAND SECURITY

Charles E. McQueary, of North Carolina, to be Under Secretary for Science and Technology, Department of Homeland Security.

DEPARTMENT OF TRANSPORTATION

Jeffrey Shane, of the District of Columbia, to be Under Secretary of Transportation for Policy.

Emil H. Frankel, of Connecticut, to be an Assistant Secretary of Transportation.

Robert A. Strugell, of Maryland, to be Deputy Administrator of the Federal Aviation Administration.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

COAST GUARD

PN357 Coast Guard nominations (4) beginning Paul S. Szwed, and ending Darell Singleterry, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 25, 2003.

PN297 Coast Guard nomination of Scott Aten, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of February 6, 2003.

PN272 Coast Guard nominations (2) beginning DIANE J. HAUSER, and ending LISA H. DEGROTT, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 28, 2003.

PN409 Coast Guard nomination of John P. Nolan, which received by the Senate and appeared in the CONGRESSIONAL RECORD of March 11, 2003.

PN410 Coast Guard nomination of Christy L. Howard, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of March 11, 2003.

PN411 Coast Guard nominations (244) beginning Bruce E Graham, and ending Bradford W Youngkin, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 11, 2003.

PN271 Coast Guard nominations (192) beginning Christine K Alexander, and ending Adam M Ziegler, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 28, 2003.

FOREIGN SERVICE

PN270 Foreign Service nominations (7) beginning Lyle J. Sebranek, and ending Margaret K. Ting, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 28, 2003.

ORDER OF BUSINESS

Mr. NICKLES. Mr. President, we have agreed to have votes on several pending amendments. I tell my colleagues, I am disappointed we are going to go out of session shortly. We stated our intention to stay in session, stay in business, to receive amendments late into the night, to work to pass and/or to modify, to accept or to come up with second degree amendments. We did not get as many amendments done as I had hoped.

We plan on being on this resolution from 9:30 in the morning until midnight tomorrow. So I do not want colleagues coming to me and saying they did not have a chance to offer their amendment. They had a chance tonight. They will have a chance tomorrow. I am trying to avoid a calamity towards the end called a ''vote-athon'' that we have had in the past. My colleague from Nevada and I know that is not the way the Senate should work, and we should avoid it if we possibly can.

We are going to be in on the bill tomorrow morning at 9:30. I urge Members, if they have amendments, please share those amendments with us. I have not seen any amendments that are expected to be offered by our colleagues on the other side of the aisle. I would like to see them. We would like to review them. We would like to analyze them. We would like to know what we are voting on.

I urge our colleagues on the other side of the aisle, if they have amendments, please share those with us. Likewise, I say to any of my colleagues, if they have amendments, I would like to share them with the managers on the other side so we can cooperatively work and manage this budget. It is very much the leader's intention and my intention to finish this budget this week.

As with most budgets in the past, I expect we will have a lot of votes. It needs to be done in a way that we know what we are voting on. So I make those editorial comments. Again, I want to thank my colleagues from Nevada and North Dakota. Both have been a pleasure to work with. I hope we will have greater progress in moving amendments.

I mentioned in our unanimous consent request, which has already been agreed upon, we have three votes. My expectation would be that we would have several other votes tacked on in addition to those. I hope we will have substantive amendments.

ORDERS FOR THURSDAY, MARCH 20, 2003

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9:30 a.m. on Thursday, March 20. I further ask that following the prayer and the pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of S. Con. Res. 23, the concurrent budget resolution; provided further that there be 14½ hours remaining for debate on the resolutions with 6½ hours remaining under the control of the chairman of the Budget Committee and 8 hours remaining under the control of the ranking member.

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

The Democratic whip.

Mr. REID. Mr. President, in response to the earlier statements of my dear friend, the distinguished Senator from Oklahoma, we have worked hard the last few days trying to work our way through this very difficult legislation. It is always this way. It is very difficult. The reason we do it this way is it is statutory. We are doing our best.

We stand on the brink of a war. The two leaders have met today to talk about the fact that when this does start, there will be a pause of some time to be determined by the leaders so that Members can speak about what is going on in Iraq. I think I speak for the entire Senate in this regard, as we leave the Senate tonight, our thoughts and our prayers are with the Commander in Chief of the United States military, George Bush, and also with the hundreds of thousands of American troops who are standing ready to go do what is appropriate at this time.

We recognize there are some who feel this is not the right time, but as Americans we always rally around our troops. This time is going to be no different. The minute the first shot is fired, with rare exception, all Americans will be recognizing what we feel here tonight is that there is a strong sense of urgency to making sure that we do the business of this Nation in the Senate and work to complete whatever business is necessary to make sure those people who are fighting for us—lives are going to be lost—have everything they need and more.

As we retire tonight, I think I speak for the entire Senate when I say our thoughts and prayers are with those who have to make this momentous decision, especially the President.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I thank my friend and colleague from Nevada for his comments in support of the President and the troops. We do wish them Godspeed and God's blessing and protection as well.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. NICKLES. If there is no further business to come before the Senate, I ask the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:15 p.m, adjourned until Thursday, March 20, 2003, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 19, 2003:

DEPARTMENT OF STATE

PAMELA J. H. SLUTZ, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO MONGOLIA.

ERIC M. JAVITS, OF NEW YORK, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS UNITED STATES REPRESENTATIVE TO THE ORGANIZATION FOR THE PROHIBITION OF CHEMICAL WEAPONS.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COLONEL JOHN C. ADAMS, 0000
COLONEL CHARLES B. ALLEN, 0000
COLONEL CHARLES A. ANDERSON, 0000
COLONEL OSCAR R. ANDERSON, 0000
COLONEL JOHN R. BARTLEY, 0000
COLONEL KEVIN J. BERGNER, 0000
COLONEL BRUCE A. BERWICK, 0000
COLONEL NOLEN V. BIVENS, 0000
COLONEL DANIEL P. BOLGER, 0000
COLONEL DOYLE D. BROOME JR., 0000
COLONEL ALBERT BRYANT JR., 0000
COLONEL ROBERT L. CASLEN JR., 0000
COLONEL JAMES E. CHAMBERS, 0000
COLONEL BERNARD S. CHAMPOUX, 0000
COLONEL ANTHONY A. CUCOLO III, 0000
COLONEL MICHAEL C. FLOWERS, 0000
COLONEL JEFFREY W. FOLEY, 0000
COLONEL YVES J. FONTAINE, 0000
COLONEL REBECCA S. HALSTEAD, 0000
COLONEL KARL R. HORST, 0000
COLONEL MICHAEL D. JONES, 0000
COLONEL PURL K. KEEN, 0000
COLONEL DAVID B. LACQUEMENT, 0000
COLONEL STANLEY H. LILLIE, 0000
COLONEL THOMAS C. MAFFEY, 0000
COLONEL FRANCIS G. MAHON, 0000
COLONEL JOSEPH E. MARTZ, 0000
COLONEL RAYMOND V. MASON, 0000
COLONEL JOHN F. MULHOLLAND, 0000
COLONEL PATRICK J. OREILLY, 0000
COLONEL MARK V. PHELAN, 0000
COLONEL JOSEPH SCHROEDEL, 0000
COLONEL JOHN E. STERLING JR., 0000
COLONEL RANDOLPH P. STRONG, 0000
COLONEL JAMES L. TERRY, 0000
COLONEL WILLIAM J. TROY, 0000
COLONEL PETER M. VANGJEL, 0000
COLONEL DENNIS L. VIA, 0000
COLONEL JOSEPH L. VOTEL, 0000
COLONEL FRANCIS J. WIERCINSKI, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVAL RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral

REAR ADM. (LH) FENTON F. PRIEST III, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVAL RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral

REAR ADM. (LH) PETER L. ANDRUS, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVAL RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral

REAR ADM. (LH) JAMES M. MCGARRAH, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) MICHAEL K. LOOSE, 0000
REAR ADM. (LH) ROBERT L. PHILLIPS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) ROBERT E. COWLEY III, 0000
REAR ADM. (LH) STEVEN W. MAAS, 0000

CONFIRMATIONS

Executive nominations confirmed by the Senate March 19, 2003:

DEPARTMENT OF TRANSPORTATION

ELLEN G. ENGLEMAN, OF INDIANA, TO BE CHAIRMAN OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR A TERM OF TWO YEARS.

ELLEN G. ENGLEMAN, OF INDIANA, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD.

RICHARD F. HEALING, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD.

MARK V. ROSENKER, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 31, 2005.

DEPARTMENT OF HOMELAND SECURITY

CHARLES E. MCQUEARY, OF NORTH CAROLINA, TO BE UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY, DEPARTMENT OF HOMELAND SECURITY.

DEPARTMENT OF TRANSPORTATION

JEFFREY SHANE, OF THE DISTRICT OF COLUMBIA, TO BE UNDER SECRETARY OF TRANSPORTATION FOR POLICY.

EMIL H. FRANKEL, OF CONNECTICUT, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION.

ROBERT A. STURGELL, OF MARYLAND, TO BE DEPUTY ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

COAST GUARD NOMINATIONS BEGINNING CHRISTINE K ALEXANDER AND ENDING ADAM M ZIEGLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 28, 2003.

COAST GUARD NOMINATIONS BEGINNING DIANE J. HAUSER AND ENDING LISA H. DEGROOT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 28, 2003.

COAST GUARD NOMINATION OF SCOTT ATEN.

COAST GUARD NOMINATIONS BEGINNING PAUL S. SZWED AND ENDING DARELL SINGLETERRY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 25, 2003.

COAST GUARD NOMINATION OF JOHN P. NOLAN.

COAST GUARD NOMINATION OF CHRISTY L. HOWARD.

COAST GUARD NOMINATIONS BEGINNING BRUCE E. GRAHAM AND ENDING BRADFORD W YOUNGKIN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 11, 2003.

FOREIGN SERVICE NOMINATIONS BEGINNING LYLE J. SEBRANEK AND ENDING MARGARET K. TING, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 28, 2003.