The Senate met at 2:01 p.m. and was called to order by the Honorable LAMAR ALEXANDER, a Senator from the State of Tennessee.

PRAYER
The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Lord, You have been our dwelling place in all generations. You laid the Earth's foundation on the seas and built it on the ocean depths. Each day we receive the showers of Your blessings.

Thank You for listening to our prayers and for keeping us safe. Thank You for giving us hope, even when life seems covered by shadows. From our earliest moments, we have been blessed by Your marvelous deeds. So we celebrate Your goodness.

Continue to sustain our legislators. Give them wisdom and courage to do their duty. Keep their hands and hearts pure. Teach them to do the right thing, to be honest and fair. Keep them humble and help them to trust You completely now and always.

Lord, continue to protect our Nation's military. We pray in Your Holy Name. Amen.

PLEDGE OF ALLEGIANCE
The Honorable LAMAR ALEXANDER led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE
The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, January 24, 2005.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable LAMAR ALEXANDER, a Senator from the State of Tennessee, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. ALEXANDER thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER
The PRESIDING OFFICER (Mr. ROBERTS). The distinguished majority leader is recognized.

SCHEDULE
Mr. FRIST. Mr. President, this afternoon, we will be in a period for morning business so Senators may introduce legislation and make statements. Following that 1 hour period, the Senate will proceed to executive session for the consideration of the nomination of Carlos Gutierrez to be Secretary of Commerce. Chairman STEVENS will be here to manage the hour of debate on this side of the aisle, and I understand Senator DORGAN will control the remaining 1 hour. We do not have a request for a rollcall vote on the nomination. Therefore, we will proceed to a voice vote at the expiration of that time. Consequently, we will not have any rollcall votes today.

I do want to take this opportunity to remind my colleagues that we will begin debate on the nomination of Condoleezza Rice during tomorrow's session. The order from last week provides for debate on Tuesday with closing remarks on Wednesday and a vote on that nomination on Wednesday morning.

There are several other Cabinet-level nominations that may be ready for floor action this week, including the nominations of the Secretary of Energy, the Secretary of Health and Human Services, and the Attorney General. I will be talking with the Democratic leader about the full Senate consideration of those Cabinet positions as they become available.

RELATING TO THE DEATH OF HOWARD S. LIEBENGGOOD
Mr. FRIST. Mr. President, I am now turning to a resolution for floor action this week, including the resolution on the death of Howard S. Liebengood. I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read the following:

VerDate Aug 31 2005 05:58 Dec 29, 2006 Jkt 059060 PO 00000 Frm 00001 Fmt 0637 Sfmt 0634 E:\RECORDCX\T37X$J0E\S24JA5.REC S24JA5hmoore on PROD1PC68 with CONG-REC-ONLINE
A resolution (S. Res. 7) relating to the death of Howard S. Liebengood, former Sergeant at Arms of the Senate.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 7) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 7

WHEREAS Howard S. Liebengood served as a captain in the United States Army Military Police Corps in Vietnam from 1968 to 1970, receiving the Bronze Star and the Army Commendation Medal for his exemplary service;

WHEREAS Howard S. Liebengood began his service to the Senate in 1973 as minority counsel to the Senate Watergate Committee;

WHEREAS Howard S. Liebengood served as an aide to the Senate Church Committee in 1975, as staff director of the Senate Select Committee on Intelligence in 1976, and as legislative counsel to Senate Majority Leader Howard H. Baker, Jr., in 1980;

WHEREAS Howard S. Liebengood served as Sergeant at Arms of the Senate from 1981 to 1983;

WHEREAS Howard S. Liebengood served as chief of staff to Senator Fred Thompson from 2001 to 2003, and as chief of staff to Senator Majority Leader William H. Frist, M.D., from 2003 until his death in January, 2005;

WHEREAS Howard S. Liebengood was a caring and devoted husband, father, and colleague who served with the utmost humility and distinction and was admired and respected by all as a teacher, adviser, and friend; and

WHEREAS Howard S. Liebengood inspired others through his personal leadership, generosity, and great love for the United States: Now, therefore, be it

Resolved, That—

(1) the Senate has heard with profound sorrow and deep regret the announcement of the death of Howard S. Liebengood; and

(2) the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy of these resolutions to the family of Howard S. Liebengood.

Mr. FRIST. Mr. President, Howard Liebengood loved the Senate. He loved the purpose of this institution: he loved its tradition; and, above all, he loved its people. The Senate was his extended family, and we all are going to miss him very much.

Howard Schuler Liebengood passed away Thursday, January 13, at his home in Vienna, VA. He was just 2 weeks shy of his retirement. He had planned to travel and cook and devote himself to his wife Dee and their three grown children, Howie, John, and Anne.

We talked in detail at breakfast about a month ago, in late December, about his excitement of being able to retire and spend time with the family.

He also told me he planned on going to the track. One of his closest friends and a real friend of this institution, Marty Gold, said Howard loved anything that ran around the track, whether it was cars or dogs or people.

And every May, without exception, Howard went to the Indy 500 with his family.

Howard lived with passion. He lived with conviction. He lived with generosity. He lived with grace. He accomplished so much because he loved life so well.

Howard was born on December 29, 1942, in South Bend, IN. Franklin Delano Roosevelt was President, stamps cost 3 cents, and total Federal spending was a mere $55 billion.

Howard graduated from Plymouth High in 1960 and earned his bachelor’s degree in political science at Kansas State University. From there he went to Vanderbilt University Law School where he met a young man who would become his closest and lifelong friend and future U.S. Senator, Fred Thompson.

Howard once described the two of them as misfits among the well-heeled southern scholars and Ivy League stars. But knowing them both, I suspect Howard’s characteristic midwestern modesty.

After earning his law degree from Vanderbilt, Howard served as an Army captain in the Vietnam war. His bravery and valor earned him the Bronze Star and the Army Commendation Medal.

Upon his return from Vietnam in 1970, Howard applied for and won the competition to be assistant general manager and play-by-play announcer for the Kansas City Royals AAA farm club. But it was not to be. A young wife and the prospect of a future family led him to the offices of Manier, White in Nashville, TN, where he practiced criminal and entertainment law.

Then, just as he was to become partner, he got a call. Fred was minority counsel to the newly formed Senate Watergate Committee, and he wanted Howard at his side. It was 1973, the height of Watergate. Senator Howard Baker and Howard Liebengood were chair of the committee. It was an offer too good to refuse.

Howard soon found himself in the center of the Watergate whirlwind, interviewing witnesses and ultimately coauthoring the Baker report.

It was a heady experience for the young lawyer and launched him on a 30-year career in politics. And yet somehow, despite this long and intimate exposure to Washington politics, Howard never lost his optimism. He never became cynical. He always looked for the good in any situation, and he always kept his good humor.

And throughout, he also had the mentorship and friendship of Senator Howard Baker, his first boss in politics.

During the course of Watergate, Senator Baker and Howard became close friends. As minority leader, Senator Baker hired Howard to be his legislative assistant, and then as majority leader, he elevated Howard to Sergeant at Arms. Howard would often stay with Senator Baker when the Senator was home in Scott County in Huntsville, TN.

Senator Baker tells this delightful story which speaks to their friendship and Howard’s charm and his wonderful wit:

When Howard was Sergeant at Arms in the Senate during the first Reagan inauguration in 1981, I still have this image of Howard in striped trousers and a cut-away coat standing on a platform next to the emergency phone sweating although the temperature was near freezing. I said: “Howard, I see you’re sweating. Are you OK?” Howard replied: “I forgot the key to the emergency phone.”

Senator Baker asked him later:

What would you have done if that phone had rung?

And Howard replied:

I would have pulled that sucker out by the roots.

That is Howard Liebengood, and it is the Howard Liebengood we have all been pleased to know. He treated everyone, from Senators to interns, with a graciousness and genuine regard. If a constituent had a difficult request or an unusual request, Howard would say: Give them a chance. That is an idea that just may be worth considering.

When Senator Hatch injured his Achilles tendon, he couldn’t be in Washington to deliver his opening remarks to the Senate every day. While he was my chief of staff, Howard Liebengood regularly invited young staffers on summer weekends to travel with him to Baltimore for a day of crabs and baseball.

He was just that kind of person—always extending himself, always making others comfortable around him, always making the personal connection, especially focusing on the young people in the office. He wanted to share with them the excitement and honor of working in Government. He always let them know, interns and staff alike, that their jobs mattered, that their jobs had a purpose, that they were serving their fellow citizens and advancing the cause of democracy.

Howard also reached across the aisle. He was known as the peacemaker for his ability to bring opposing sides together. Indeed, one of his great regrets was what he saw to be the growing partisanship in politics.

He missed the days when Members could set aside their party labels and share a 6 o’clock cocktail or a Friday night dinner. When he was legislative counsel for Senator Baker, what is now our common area in the hall off the conference room and the leader’s office, it was called the “back room.” It featured not a conference table but a sofa, a coffee table, two wingback chairs, and over at the end a wet bar.

Howard would host visits that began late in the afternoon and could last well into the evening. The regulars included Mac Mathias, Barry Goldwater—they tell me, two fingers of bourbon, no ice—Pete Domenici, and John Baky. He would often bring along Elizabeth Taylor Warner.

Two curious facts about the jovial and mild-mannered Presbyterian. The first, Howard kept a dozen bottles of...
hot sauce in his desk drawer. After the 116 Club, the Szechuan Pavilion was one of his favorite restaurants. The second involves his friend, great friend Mike ‘Mad Dog’ Madigan, who served with him on the Watergate Committee. He was an incredible insight and judgment. He valued character. He valued honesty. He valued grace. Above all, he valued faith. Howard was loved and respected by individuals across the Capitol complex from Members to doorkeepers to photographers to the hundreds of Senate staffers, old and young, Democrat and Republican. Howard was a remarkable person who led a remarkable life.

Howard used to sign off his e-mails with the words “all good wishes.” I know I speak for the entire Senate family when I say our hearts are full of good wishes for Howard and his family.

He valued faith. Howard used to sign off his e-mails with the words “all good wishes.”

The President is right to call on the Congress to rise to this crisis. I believe we have an opportunity to rise above partisanship, to do what is right rather than what is expedient, and to leave a legacy of leadership for our children.

This Congress will continue to meet the challenge of our generation, to fight and win the war on terror.

I would like to thank Chairman Craig for her tremendous leadership last Congress. She successfully completed the first major overhaul of our intelligence services in a generation.

We will continue to look to her as she undertakes the important task of ensuring that we commit our resources where the threat is greatest.

Today, we will introduce legislation that honors our service men and women who have made the supreme sacrifice. They have given all to our Nation and the cause liberty; and we will give more to better care for the ones they loved.

I’m grateful for the hard work of many Senators in this effort, particularly that of Senators Sessions, Hagel, Dewine, Allen, and our two able chairmen, Senators Warner and Craig.

I look forward to their continued contributions on behalf of the members of our armed services.

This bill will also enhance our efforts to secure our Nation against biological threats and give law enforcement the tools they need to better defend us at home and abroad by more quickly providing cutting edge technologies and by enhancing laws to protect our citizens.

I appreciate Senator Sessions’ leadership in the area of protecting our mass transit system against terrorist attacks. Included in this leadership proposal is the Railroad Carriers and Mass Transportation Act, a bill he authored last Congress and also incorporated into the Tools to Fight Terrorism Act introduced by Senate leadership.

Our Nation’s security does not rest on our military might alone. A growing economy, educational opportunities, and access to affordable health care are all essential to keep our country strong and our citizens secure.

We should begin by examining the Federal Tax Code. Our tax system should raise revenue in a simple, efficient, fair and predictable manner.

Unfortunately, this is far from today’s reality.

Consider the facts: Everyday Americans spend 23 percent more time filling out tax forms today than 8 years ago. In that time, the total number of pages of Federal tax rules have grown by almost half. And one leading tax preparation firm is making 150 percent more money.

We look forward to reviewing the findings of the President’s Advisory Panel on Federal Tax Reform. We will take action. We will simplify our laws, keep our commitment to a progressive Tax Code, and promote savings and growth.

Clearly, adopting a comprehensive energy policy and reforming our tort system are cornerstones of economic growth. I believe that we have a real opportunity to work across party lines on these issues.

Chairman Domenici has renewed his efforts to bring a bill through the Energy Committee and we look forward to results. The Senate will soon begin its debate on class action reform. It is an important place to start. Our tort system costs our economy nearly $250 billion per year. That’s the equivalent of an $844 ‘‘tort tax’’ on every American. This bill will be an early success. I’m grateful for the hard work on both sides of the aisle that have gone into this important initiative.

I cannot afford the lingering concerns about a tax increase on small businesses stall our economic growth. The President’s economic stimulus package was exactly the right medicine at the right time for a faltering economy. From day one, it led to steady growth. We need to make those tax cuts permanent so we can keep our economy growing and creating jobs.
Critical to our long-term competitiveness is an educated and skilled workforce. Chairman Enzi will introduce legislation today grounded in essential core principles.

We will improve our Federal education and training programs by setting high expectations and raising achievement for all students. We will demand accountability for results. And we will support learning opportunities for students at all stages in life.

It is time that health care followed the rest of our economy and join the Information Age of the 21st century.

Our health care system is a model of spectacular inefficiencies: high and rapidly rising health care costs, growing ranks of the uninsured, chasms in quality and health care disparities.

In order to transform this system, we must agree on a guiding principle: all Americans deserve the security of life-long, affordable access to high-quality health care.

The focus of a 21st century health care system must be the patient. The system must also be responsive primarily to the patient, rather than to third-party payers. In a transformed system, we must reestablish the doctor-patient relationship, and utilize technology to promote efficiency and provide care.

I am pleased that we will be introducing legislation that begins to build on these principles, utilizing the work of Senator Gregg and the Republican Task Force on the Uninsured. We will address rising costs, increase coverage and expand access to care.

We are also a Nation that values community, family, and compassion. We will work to build on the success of our welfare laws which have helped over 7 million people move from dependency to the dignity of work.

But in doing so, we will recognize the need to support those who do the hard work of compassion—caring for those in need. Our tax proposals will support these parents and training while also helping those who are raising children and ending the discrimination against marriage in the law.

We will also continue our efforts to promote and defend marriage, and to support parents as they seek to guide their children in difficult times. Today, Senator ALLARD will introduce legislation to preserve the marriage protection amendment which I hope will be sent to the States for ratification.

Last Thursday, we had the opportunity to celebrate the enduring value of a free people exercising their right to self-governance. But with each new political beginning, we have the responsibility to answer to the people we serve that we have seized each opportunity, and I have great faith in my colleagues in the U.S. Senate to dutifully answer that call.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

INTRODUCING DEMOCRATIC LEADERSHIP BILLS

Mr. REID. Mr. President, in the beginning of each session of Congress, the majority and minority introduce their bills. The first 10 bills are those of the majority. That is the tradition of the Senate. The distinguished Republican leader of the Senate has habitually put forward the bills that represent the majority. I have worked hard putting forward the bills that represent the minority, and I with Senator DURBIN, Senator SCHUMER today in the Lyndon Johnson Room presented our bills to the public.

The promise of America is a simple one. It is a promise that says if one works hard and plays by the rules, they can build a stronger, brighter future for themselves and their family. This promise has lived on for generations in this great country of ours. It is one that I have lived personally.

As a result of hard work and the generosity of people who helped me with my education, I received a good education, and in the process many doors were opened. After completing my education, I was able to go into business and now have what I believe is the best job in the world—a Member of the Senate representing the people of the State of Nevada.

My story is not unique. As many know, I was born and raised in Searchlight, a small town where my family and I worked hard to build a life. From a young age, I worked. That meant I had the discipline to go to school, to work hard at school, and to get good grades and to make a commitment to myself and my family to do well.

The Constitution has in it a clause that deals with advise and consent. If the oath I took just a few weeks ago to uphold the Constitution means anything, certainly that part of the oath that says I must live up to the Constitution, it says the Senate of the United States has an obligation, legal in nature, to give advice and consent to the President of his nominations. I will continue to do that. I believe that is a role we have.

There are real crises. I have talked about some of them. I talked about others: education, health care, the environment that we do not talk about much anymore. Energy is a crisis we have in this country. The staggering deficit we have developed these past 4 years is a crisis. I believe there are real crises that are crippling our economy, harming the large and small businesses, and pricing too many families out of quality health care. That is what our legislation we introduce today deals with. We have a Government that has forgotten who it is responsible to, one that has become content with feeding tens of billions to the special interests while failing in its commitment to tens of millions of seniors.

America’s promise will not stay alive if America’s Government betrays it, and that is why at the outset of this Congress Senate Democrats are committed to restoring the promise of America by pursuing an agenda that honors the values behind it, the values of security, opportunity, and responsibility. These values are at the core of America’s promise.

The ten Democratic bills which I will introduce today deal first with America’s security. For example, we need to work to increase our Special Operations Forces by 2,000 individuals. We need to expand our space and ensure that we have enough trained personnel to protect our nation.

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materials from entering the United States. That is Nunn-Lugar. We must do more than what we have done with the Nunn-Lugar legislation.

We must increase our military. Our legislation calls for an increase by 40,000—30,000 in the Army and 20,000 in the Marines—so that we have enough troops to win the peace in Iraq and fight terrorism around the world without extending tours of duty to the breaking point.

We will create a Guard and Reserve bill of rights to protect and promote the interests of our dedicated citizen soldiers and fight for the families of those who serve to recognize the sacrifices they have made. S. 13 will fulfill our duty to America’s veterans. It will ensure that all veterans get the health care and prescription drugs they deserve while also expanding the availability and accessibility of mental health care. We will ensure that no veteran is forced to choose between a retirement and disability check, and launch a 21st century GI bill that tells soldiers of today that we will help them succeed when they return, just as we did for those great heroes who returned from World War II, Korea, and Vietnam.

We need to expand opportunities to all Americans, and economic opportunity is going to be extended through S. 14. We, for example, will end tax incentives that encourage companies to ship jobs overseas. We are going to store overtime rights for 6 million workers who lost that guarantee last year. S. 15 will help us with education. It must be a cornerstone of equal opportunity. Democrats will keep our promise to our children by increasing support for preschool education, fully funding No Child Left Behind and making sure it is implemented the right way. We will address the shortfall of math and science and special education teachers by creating tuition incentives for college students to major in these fields, and we will work to make sure every American who wants it can afford 4 years of college with new tuition tax credits and relief from burdensome loans.

There are problems in rural school districts in Kansas, Nevada, Illinois, Nebraska and Utah. I have found, in my travels through rural Nevada, one of the states the school districts in rural Nevada have is school buses. That might not seem like much in the overall scheme of things, but it is rare for a bus in Nevada rural schools to be new. They buy used, old buses. Most of the buses are worn out before they get them. We could help rural America in lots of different ways, but we could help rural America so much if we provided a way where they could buy new buses. We need to do that. When school districts have these old buses, they have no choice about having to ride in outdated, unsafe buses. That is why we will create a Federal program to help rural school districts purchase new buses that will get kids to school in a reliable and safe manner.

S. 16 will make sure health care is more affordable to families and businesses. We know health care costs have spiraled. That is why we will bring irresponsible abuses by big drug companies and legalizing safe importation of FDA-approved prescription drugs from industrialized countries. We will also ensure that every child in America has access to healthcare and that every pregnant woman in America can get the maternity care she needs and deserves. We will reduce health care costs by creating incentives to modernize health care and by offering tax credits to small businesses.

Finally, we want to build a government that meets its responsibilities both to Americans today and in the future. S. 18 will help America’s seniors. Medicare should work for seniors, not the HMOs and drug companies. First we will eliminate the provision that actually allows HMOs and drug companies to use the negotiating power of its $1 million beneficiaries to get lower prices. The Medicare bill has a provision in it that says Medicare cannot negotiate for lower prices. They have to go to Rite Aid and get those prices. They have to give those prices to Medicare. They cannot compete with the HMOs which can buy their drugs in bulk.

We will eliminate the giveaways like the $10 billion slush funds for hospitals in current legislation. We will improve the prescription drug benefit by phasing out the current donut hole where seniors pay a premium but get no credit. Seniors across the country were shocked by the record increase in Medicare Part B premiums this year. This must be addressed. We must be a government that honors its responsibilities to future generations. We have had reckless spending these last 4 years. It has turned record deficits and has mortgaged our children’s future. It is long past time for Washington to return to the same commonsense budget that families use around the kitchen table every day, and that is why we will call for pay-as-you-go budgeting: Our final bill, S. 20, will support women in making responsible choices about their health. The United States has the highest rate of unintended pregnancies among all industrialized nations. In this country are unintended and nearly half of those end in abortion. By increasing access to family planning services, Democrats will improve women’s health, reduce the rate of unintended pregnancies, and reduce the number of abortions, all while saving scarce public health dollars.

Security, opportunity, and responsibility—these are more than just three words or three values. They are the foundation on which America’s promise is built. Senate Democrats open the 109th Congress steadfastly committed to keeping this promise alive, so that all Americans who work hard can build a stronger and brighter future for their families. While these 10 bills do not represent all the goals of the 109th Congress, they represent the start and the core of our mission.

No doubt we will tackle many other important issues before Congress adjourns. We will not lose sight of the values for which we fight and the promises we must keep.

For instance, when it comes to strengthening Social Security, Democrats will keep America’s promise. The program is our bargain that says those who work hard and pay their taxes have earned a secure retirement. Our values compel us to keep the promise of security to our seniors, and Senate Democrats will do this. We will not irresponsibly cut benefits or jeopardize the opportunity of future generations with $2 trillion in new debt. This is keeping America’s promise, and that is what Senate Democrats will do.

In closing, I would like to say a few words to my colleagues across the aisle. We hope and believe many Republicans share our view that we must not allow partisanship to stand in the way of America’s promise, or let politics get in the way of keeping alive the American dream. Setting aside our differences, we will work with the majority in meeting the demands of America.

I recognize the first 30 minutes of morning business time was that of the majority. How much time did I use?

The PRESIDING OFFICER. Time used 14½ minutes.

Mr. REID. I apologize to my friends on the other side of the aisle. Ten minutes of that time will be leader time. The rest Senator DURBIN will use for whatever he feels appropriate when our time comes.

The PRESIDING OFFICER. The distinguished Senator from Illinois.

ORDER OF PROCEEDURE

Mr. DURBIN. Mr. President, it is my understanding there are two or three Senators on the floor who would like to pay tribute to Mr. Liebengood, as Senator FRIST did. I will ask unanimous consent they be recognized, if we can get an idea how much time they will use, and then if we could return to the scheduled morning business with the remaining time on the Democrat side and then the balance on the Republican side...
Mr. DURBIN. Mr. President, I would be happy to renew my request to give, let’s say, 15 minutes for tributes to Mr. Liebengood at this point.

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

Mr. DURBIN. Mr. President, last week Howard Liebengood—

The PRESIDING OFFICER. The distinguished Senator from Nebraska, the distinguished champion of the Plains, is now recognized.

TRIBUTE TO HOWARD LIEBENGOOD

Mr. HAGEL. Mr. President, I rise, as was noted, to recognize and pay tribute to and remember our dear friend Howard Liebengood. I thought the majority leader’s comments concerning Howard Liebengood could have been recited by any and all who knew him. My friendship with Howard Liebengood goes back almost 30 years. When I first became acquainted with Howard and his wife Dee, we would bet on the Kansas State football game every year. I know the Presiding Officer has a passing interest in that game. Howard, each year, would come back for more. These were the days when Kansas State had not defeated Nebraska for many years. But one of the extraordinary parts of this extraordinary man was an optimism, not only about Kansas State football but about life. All that he touched, all he represented, and all who knew him were uplifted by this gentleman, this man who always put his friends first.

I recall when Howard and Dee’s children were young, I would occasionally go to their home in Vienna for a little chili cookoff. It was not a big group; it was just us. Howard always had the remarkable ability to reach beyond his professional capacity. After all, we are all judged and will be judged by that dynamic at the end of our lives. It will not be for whatever professional accomplishments we have but it will be for what we have done for others and how we are remembered by others, as was noted by the majority leader in his remarks.

So, today, as I and others rise on behalf of Howard Liebengood, we celebrate his life and his family and all the light that he brought to so many of us for so long. This dear, dear man, we shared some wonderful times; I always looked forward to his keen observations and his wry good wit and very strong intelligence.

I knew what many in this body knew about Howard, that we could always count on him to listen, and care, and act—not in his own self-interest, but for the greater good.

Howard was so successful in our world, yet he was never driven by money, fame or desire. His many accomplishments—the Bronze Star, his work in the Senate on the Watergate Committee, as our Sergeant at Arms, as Chief of Staff to two of our greatest Senators—tell volumes about Howard, but they do not reveal the inner peace and calm that made him such a wonderful, wonderful part of this institution, a tribute to all that is good in public service. What more can you ask in a man?

Nothing.

Howard did it all.

Howard had it all.

His loss is so great. Our loss is so great. This body will mourn his loss for so many years to come.

I know all here today join in sending our deepest sympathies to the husband, father and trusted public servant. I knew him personally very well. He was kind. He was considerate. He was helpful. He was always down the middle. He was someone to rely on.

Let us celebrate his life today and all that was so good in this man, even as we mourn Howard S. Liebengood’s tragic passing at too early a time.

Mr. ALEXANDER. Thank you, Mr. President.

Mr. President, last week Howard Liebengood’s best friend, former Senator Fred Thompson, spoke eloquently about his life with Howard over the last 30 years since their time at Vanderbilt Law School. Marty Gold, whom all of us know, spoke about Howard Liebengood in a little different way. The other day in our retreat, I told some of the staff members, who are the age of his children or younger, to listen to how he views this Senate which was his home really for 30 years, why he loves it so much, and why he conducted himself the way he did in a world that is supposed to be cynical or cutthroat and how he made it competitive, where you take yours and the other guy gets his. That wasn’t Howard Liebengood at all.

I have a copy of the notes Howard used for that evening. He went on for about an hour, and the staff members told me they wished he had gone on for 2 or 3 hours. He told stories about law school. He told stories about Fred Thompson, the Intelligence Committee, and about Howard Baker—many of the incidents which Senator Thompson talked about came to the end of his remarks, he said this, I believe perhaps the most important thing I can contribute to this discussion honoring our friend Howard is his own words about why he came and why he stayed in the Senate. He concluded his remarks to our staff last October saying this: “I came for a year.”

This is when BILL FRIST asked him to come back.

“And I stayed two.”

He said, “It is hard for me to leave the labor of love that is for me the U.S. Senate, the institution herself, in every way. From the people to the protocol and the opportunity to serve the people of Tennessee, I have relished every moment. How blessed I have been,” Howard Liebengood told these young staff members, “throughout my life to have these exciting assignments, these remarkable colleagues, spectacular leaders, and challenging work—never a dull moment. I am forever grateful for bringing me here and to Howard Baker for keeping me here and being my personal inspiration, to the incomparable Bill...
Mr. FRIST, whom I admire and enjoy working with, and to my other friends with whom I have served. And finally, I thank each of you for having me with you tonight.

The parting thoughts Howard Liebengood to my staff last September were these: “Always be true to yourself. Trust your best instincts. Serve humbly and unselfishly. Distinguished Senator for whom you work and Tennessee at every turn. Relish your time here. Take pride in your work, but never be haughty. Look out for your colleagues at every turn. And walk with the Lord.”

He concluded: “With that formula my experience suggests that both Washington and life will treat you very well. Thank you for having me with you this evening.”

I think all of us would say today that Howard treated Washington and life very well, and we are grateful that he came our way.

Thank you, Mr. President.

Mr. DURBIN. Mr. President, are there further tributes to Mr. Liebengood?

Mr. MCCONNELL. Mr. President, I hope to say a few words about Howard Liebengood.

The PRESIDENT. The distinguished Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, I listened carefully to Senator ALEXANDER’s observations about our good friend, Howard Liebengood. I first met Howard when he was leaving the Senate. I came here the year Senator Baker retired, and Howard was on the way out. I wasn’t sure that I would get to know him because everybody even before I got here—it seemed like everybody I ran into—knew Howard Liebengood. He was part of this institution. He was on the way out as Senator Baker left.

In thinking about the last 20 years—that was 20 years ago—Howard Liebengood really never left the Senate, in this town available as a resource to all of us. I called upon him frequently over the entire period when he was technically not working at the Senate but was in town and providing his good advice to anyone who would ask.

I say to my friend, the junior Senator from Tennessee, and to the majority leader, you were lucky that Howard Liebengood was from Tennessee. I wish he had been from Kentucky. He was a wonderful man and a great part of this institution that we will not soon forget.

I yield the floor.

Mr. DODD. Mr. President, I rise to speak in honor of Howard Liebengood, who passed away on January 13. The majority and minority leaders and other Members of this body have already spoken in Howard’s memory. In addition to associating myself with their remarks, I would like to offer words of reflection on behalf of myself and my wife Jackie, who knew Howard well through her work for Senator Jake Garn of Utah.

As someone who essentially grew up in this institution, I have always had a great deal of respect and affection for the United States Senate. While some today may dismiss the notion as quaint, I continue to regard the Senate as a family—one where personal friendships can transcend ideological beliefs, and one that in its finest moments can rise above party differences to truly make a difference in the lives of the people whom we serve. It is in that spirit that I speak today in memory of Howard—a well-respected member of this family for over 3 decades.

Howard served here in a number of capacities—as minority counsel to the Watergate Committee in the 1970s, where he worked closely with Senator Howard Baker; as Sergeant at Arms from 1981 to 1983; and finally, as chief of staff to Senator Fred Thompson and majority leader BILL FRIST. He also maintained his relationship with the Senate for many years working in Government relations for a variety of clients.

I came to know Howard in 1981 when I entered this body as a freshman Senator, and he began his term as Sergeant at Arms. I gained an immediate and lasting appreciation for Howard—not only as Sergeant at Arms, but as a human being.

The Sergeant at Arms in the Senate is a position that encompasses enormous responsibilities—from security, to printing and graphics, to technology, to recording, to financial operations. To put it quite simply, the day-to-day business here in the United States Senate depends on the Office of the Sergeant at Arms, and on the service of people like Howard.

Howard Liebengood was a man who loved this institution and who loved our country—and that love was reflected in the way he approached his work. Howard was a good and decent man whose humor, calm, and patience were well-known to all of us who were fortunate to know him. He was an individual who worked well with Senators and staff from both parties. Howard always impressed me as someone who cared more about the Senate, and the role it plays in our democracy, than he did about advancing any particular party’s agenda. In all the positions he occupied in the Senate, he always cared deeply about the things that united us as Americans, rather than those that divide us along partisan political lines. He understood that the strength of the Senate as an institution and its significance in shaping our history reside in the ability of its Members to reconcile differences for the good of our Nation.

This institution and our Nation are indebted to Howard for his years of service. I offer my deepest sympathies to Howard’s wife Dee and their three children.

Mr. COCHRAN. Mr. President, I am pleased to join the distinguished majority leader, Mr. FRIST, as a cosponsor of his resolution honoring the memory of Howard Liebengood.

Howard was a good friend of mine and a very trustworthy officer of the U.S. Senate. I first go to know him when he worked as a member of the staff of the Senator from Tennessee, Mr. Baker.

He later served as Sergeant at Arms and Doorkeeper when Senator Baker was the Republican leader.

It was my pleasure to know Howard’s family as well. His wife Deanna was a very important asset and an admired and respected member of the Senate family.

We will miss Howard’s ready smile and his keen insight on the issues facing our country. He was truly a wonderful person and a loyal friend.

The PRESIDENT. The Senator from Illinois.

Mr. DURBIN. Mr. President, it is my understanding that the tributes to Mr. Liebengood have been taken from the morning business time allotted to the Republican side.

The PRESIDENT. That is correct.

Mr. DURBIN. How much time is remaining on each side in morning business?

The PRESIDENT. There is 17 minutes on the majority side and 25 minutes on the minority side.

Mr. DURBIN. I ask unanimous consent that Senator COLLINS be recognized on the Republican morning business side, and I will follow her with the remaining time on the Democratic side.

The PRESIDENT. Without objection, it is so ordered.

The distinguished Senator from Maine is recognized.

Ms. COLLINS. Thank you, Mr. President.

I thank my colleague from Illinois for his courtesy.

(The remarks of Ms. COLLINS pertaining to the submission of S. Res. 8 are printed in today’s Record under “Submitted Resolutions.”)

Mr. DURBIN. Mr. President, I didn’t know Mr. Liebengood, but I listened closely to the tributes made today. He clearly was an extraordinary person who touched the hearts of many in the United States on both sides of the aisle. There are so many like him who give a great contribution to this institution. I hope when the time comes they will receive the same memorial and tribute as Mr. Liebengood received today.

The PRESIDENT (Ms. MURKOWSKI). The Senator from Illinois.

Mr. DURBIN. It is my understanding on the Democratic side we have 25 minutes remaining in morning business; on the Republican side, how much time remains?

The PRESIDENT. There is 5 minutes remaining on the Republican side.
S SCHEDULE OF THE 109TH CONGRESS

Mr. DURBIN. Madam President, this is a critical day in the schedule calendar of the Senate. For those who follow the ebb and flow of business in the Senate, this is the kickoff, the tip-off, the first pitch. This is the week when we start rolling up our sleeves to get down to business.

Traditionally, the leaders on both sides, Republican and Democrat, announce their priorities, what they would like to see at the legislative altar of achievements of this session. I am certain the list announced today by Senator Frist and Senator Reid are not exhaustive. There are many issues that were not included on either list that will certainly be discussed. However, it is interesting what we find when we compare the two lists. On the Republican side, the No. 1 priority, the highest legislative priority from Senator Frist, is what is termed the Social Security Solvency and Protection Act.

On the Democratic side, we have a different approach. Our first priority is the title of “putting America’s security first, standing with our troops.” Both legislative proposals address important issues. No one argues that the Social Security system should not be carefully watched and that we should not address the law and change it from time to time. However, it is interesting that both President Bush and the Republican leaders in the Senate have decided the highest priority for this session is Social Security.

The reason why I find it interesting is that they prefaced this decision by saying we are facing a crisis in Social Security. Some use those terms. The President himself has called it a problem. Some have called it a challenge. But whatever your characterization, it is clear that the White House believes this is the issue that should come first of all issues that Congress might consider.

If we did nothing to Social Security, if we made no change whatsoever in the law—didn’t change a comma, a semicolon, put a period at the end of the sentence, nothing in the law—Social Security would continue to pay benefits of Social Security retirees. If we do not do something, and do it today, if we do not make dramatic changes in Social Security, it will not be there to pay the workers of tomorrow.

That is what happened in the mid-1980s. Lord only knows what it means to the future of our economy and jobs going out of the United States. As you can see, this is a complicated issue and it is an issue that will be the subject of a long debate.

This is what I think. If privatizing Social Security means cutting benefits for the retirees in the future, if it means adding $2 trillion to the national debt for future generations, $2 trillion more in debt for future generations, $2 trillion more in debt for future generations, if it means to the future of our economy and jobs going out of the United States.

As can you see, this is a complicated issue and it is an issue that will be the subject of a long debate.

In fairness to the Republican leadership and to the President, we want to see the proposal. We want to see what the President is actually asking for. There have been a lot of press conferences. The President has ads on television now. He has been visiting different cities talking about privatization of Social Security. But we need to see the law.

In fairness, the President’s supporters is that they want a real crisis in America you can find it, a crisis that deserves our immediate attention. Allow me to start with...
In the last few years—in fact, in the last 4 years—we have seen a dramatic increase in the number of uninsured Americans. Since President Bush took office, we have increased the number of uninsured Americans, those without health insurance, from 40 to 45 million. The skyrocketing cost of health care has skyrocketed in America.

What is being done by this administration, by this Congress, to deal with the skyrocketing cost of health care? Virtually nothing. Why? Because in order to do it, you have to acknowledge the obvious. The market forces are at work, and the market forces are killing us.

The cost of health insurance continues to go up every year; the coverage goes down. Fewer and fewer people can afford it. Businesses are seeing these costs skyrocket, and they cannot be profitable because of these costs or these costs skyrocket, and they cannot afford it. Businesses are seeing the skyrocketing cost of health care? They can afford it. Businesses are seeing the skyrocketing cost of health care?

The last issue I will mention today is the political tsunami that is about to hit us in the United States relates to pensions and health care for retirees. Think about how many people in America worked a lifetime believing they paid out of every paycheck a certain amount of money, that when they retired they would have a private pension plan taking care of them—thousands and thousands of Americans.

What is happening today? Those companies are going bankrupt. Those companies are in a position where they are trying to restructure and walk away from their pension requirements, walk away from health care retirements. The system we have set up in this country is not adequate to the task. So if we want to make certain these Americans have the retirement they planned on, we need real leadership here in Congress.

The last issue I will mention today has to do with reforming voting in America. I think the last election was better than the one before, not in the outcome—I saw that differently—but in the way it was handled. Yet in the State of Ohio, in my State of Illinois, in States around the Nation, voters walked to the polling place and many of them ran into obstacles they should not run into. We ought to make voting easier in America.

When an American citizen does the right thing and goes to vote, we ought to make it so they are going to have a consistent law, a consistent standard applied to them, whether they live in Ohio, Illinois, Florida, Nevada, or the
State of Washington. I think that is something we can do and should do. Madam President, how much time do I have remaining?

Mr. DURBIN. I thank the Chair. Madam President, I would like to close on this note: There is a lot of discussion here, starting with the President's inaugural, about the whole concept of an ownership society. I think this is going to be the driving philosophy and the driving political force behind the Republican agenda. The concept is alluring because the concept says: Wouldn't you want to control your own future? Wouldn't you like to own your future as opposed to depending on the Government? You cannot be certain that Congress and the Government will come through for you. So wouldn't you rather own your own future?

Boy, that has a lot of appeal, particularly to young people who feel invincible, that just given a chance: Let me take the money, let me invest for my future, let me make these decisions. That is not a bad quality. It is an independence that we encourage in individuals, only one that I support. But we should not overlook the obvious.

At the heart of the ownership society is the basic belief that we should just remember that when it comes to America, you are in this alone. I do not think that is true. I think history tells us that standing alone there are some things we can do but other things we cannot do.

If you want to be successful in America, you need good health. Can you control your own fate when it comes to health care? Only if the system treats you fairly. If you happen to be somebody with a preexisting condition and no insurance company will offer you coverage, you are not likely to be treated fairly. If you happen to be one who comes from a family with some history of mental illness, you will find rank discrimination by hospitalization insurance companies right now.

The point I am making is this: We have decided that to make certain people have a chance in America to succeed when it comes to health care, there will be rules of the game, there will be laws in States, and laws in the Federal Government and agencies to enforce them. Ownership? Yes. To have ownership of your future, you need good health care. To have good health care, you need to have a government standing behind you and protecting your rights to fair treatment when it comes to health care.

How about education? Do you want to go it alone with the ownership society? Well, you may need a Pell grant to get through school. I borrowed money from the National Defense Education Act to get through college and law school. Students find, over and over again, were it not for Government programs, they might not be able to go to school. You want to own your future? Then you need to have leadership at the Federal, State, and local level to give you the chance to borrow the money.

What about your pension that you spend a lifetime paying into, believing you own that? That is not Government. I own that. And then the company disappears or walks away from its obligation to you. What fighting chance do you have? None, unless there is a law that protects you and an agency that will enforce that law.

So when you hear this alluring prospect of an ownership society, understand we value individual freedom on both sides of the aisle, but we also understand that in many instances the strength of our Nation is when we stand together—for fairness when it comes to health care, for opportunity when it comes to education, to have protection when it comes to your pension and your future.

We need new leaders. Walking away from Government, as an evil entity, is ignoring the fact that Government, in many instances, is just the American family at large. As my wife and I care for our children, we care for others in this country and those who are shortchanged by this system and who are not protected. Even if it does not affect me directly and personally, it affects this country, and it affects my future.

So I hope we can find some balance. I hope we can get something done, we do not get so caught up in this alluring notion of the ownership society that we forget, as we are learning with our military, we have learned in our history, there are times when we need to stand together as a nation for fairness and for justice. We say here is security, opportunity, and making certain people have responsibility in their actions. Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields? The PRESIDING OFFICER. Who yields time?

The Senator from Alaska, Mr. INOUYE. I yield the floor.

The Senator from Alaska is recognized.

Mr. STEVENS. Madam President, our time is almost up.

I am delighted to have heard the comments of the Senator from Illinois. I remember so well when we faced the problem of dealing with Federal employees back in the 1980s. We determined that a thrift plan was necessary. We encouraged members of the Federal workforce to set aside a portion of their income. For every $2 they set aside, the Federal Government agreed to match it with $1.

I think this thrift plan has proved to be a decisive factor in maintaining the employment of key employees because it gave them a chance to reach out and be part of the general economy, to invest in the issues that were covered by the thrift plan management group. I do believe it has been a successful venture.

I hope the exploration we make of the President’s suggestion leads to a similar type of circumstance, to a similar development of the opportunity for everyone covered by Social Security to similarly participate in funds that are part of the general stock market, part of the general investments of the United States. So many investors now in our country participate in that way.

ORDER OF BUSINESS

Mr. STEVENS. Madam President, if there is no further business to come on this side—and I do not think there is—I yield back the remainder of our time available for the regular order.

Mr. DURBIN. Madam President, I yield back the remaining time on our side.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF CARLOS M. GUTIERREZ TO BE SECRETARY OF COMMERCE

The PRESIDING OFFICER. Under the previous order, the hour of 3 o’clock having arrived, the Senate will proceed to executive session for consideration of Executive Calendar No. 1, which the clerk will report.

The legislative clerk read the nomination of Carlos M. Gutierrez, of Michigan, to be Secretary of Commerce.

The PRESIDING OFFICER. Under the previous order, there will be 2 hours of debate on the nomination, with 1 hour of debate under the control of the Senator from Alaska, and 1 hour of debate under the control of the Senator from North Dakota.

The Senator from Alaska.

Mr. STEVENS. Madam President, it is my intention to make a statement presenting the nominee’s qualifications and the consideration the Commerce Committee gave to this nomination, to be followed by time that I will yield to the Senator from Hawaii, Mr. INOUYE. I hope that will be acceptable to Senator DORGAN. His time would start following the Senator from Hawaii, Mr. INOUYE. I hope that will be acceptable to Senator DORGAN. His time would start following Senator INOUYE’s time, who I understand is on the way to the Chamber.

This was the first nomination that came before the Commerce Committee after I became chairman. President Bush nominated Mr. Carlos Gutierrez to be Secretary of Commerce on November 29, 2004. Mr. Gutierrez is the chairman and chief executive officer of the Kellogg Company, a major food products company based in Battle Creek, MI. The incredible story of how he got there, rising through the ranks, is testament to the American spirit.

Shortly after Fidel Castro assumed power in Cuba during the Communist revolution, Carlos Gutierrez and his
family fied their native country. They arrived almost penniless in Florida and, after several years, eventually settled in Mexico City. There at the age of 20, Carlos Gutierrez took a job selling cereal out of the back of a van to small grocery stores.

With a lot of hard work, 10 years later, he was general manager of Kellogg’s Mexico division. Fifteen years after that, he was running the whole company. It is a great American success story by any measure.

Mr. Gutierrez’s nomination comes before the Senate at a time of significant change in the American economy. The shock of September 11, 2001, a series of corporate scandals, and the spending pressure of the war on terror, including the Iraq conflict, have taken their toll.

However, the President’s economic stimulus program, centered around tax relief, is helping our economy corner. The economy has created more than 2.4 million new jobs since August of 2003—15 straight months of job gains. The unemployment rate is at 5.4 percent, down from 6.3 percent last June, and is below the average of the 1980s, 1990s. After-tax income has risen more than 10 percent since the end of 2000, and household wealth is now at an all-time high. Even the stock market has shown strong gains in recent months.

Secretaries of Commerce spend much of their time promoting American business at home and abroad. If confirmed, Mr. Gutierrez will have an impressive record of growth at his disposal.

There is much more to the Department of Commerce than representing America’s economic interests. Most of the Department’s budget is devoted to the National Ocean and Atmospheric Administration. NOAA’s role in predicting tsunamis was not well known outside of the Pacific coastal States before last month’s devastating tsunami in Asia. The administration recently doubled the average of the 1970s, 1980s, and 1990s. After-tax income has risen more than 10 percent since the end of 2000, and household wealth is now at an all-time high. Even the stock market has shown strong gains in recent months.

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Mr. Gutierrez has probably already learned more about fisheries than he ever expected. If confirmed, he will learn much more. The recent report of the U.S. Commission on Ocean Policy reaffirms the important role that domestic fisheries play in our society. Fisheries create jobs in rural communities and provide valuable protein in the world’s food supply. The report of that commission highlighted the need to manage all fisheries in a sustainable, regional manner. And that is exactly what has taken place in the State that the occupant of the Chair and I have the honor to represent. Our State, with half the coastline of the United States, has led in developing new policies to protect and preserve the reproduction capability of the fisheries off our shore.

I commend the President for his Executive order creating a Committee on Ocean Policy within the White House. Those of us on the Commerce Committee look forward to working with the President and Mr. Gutierrez to ensure that our Nation’s fisheries are managed sustainably, responsibly, and regionally.

On January 5, Senator INOUYE and I held a hearing in the Commerce Committee on this nomination. Mr. Gutierrez answered a variety of questions at the hearing and has since responded to many more written questions. The next day, the commission unanimously to report this nomination to the full Senate. I am here today to recommend the Senate’s quick confirmation of this nomination.

I thank Mr. Gutierrez for his willingness to serve our Nation and the Department of Commerce, and I join in congratulating the President on this fine nomination.

Mr. Gutierrez has my strong support, and I do urge the Senate to vote to confirm this nomination as quickly as possible.

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. INOUYE. 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. INOUYE. Madam President, I ask unanimous consent to speak for 4 minutes.

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

Mr. INOUYE. Madam President, I rise in support of the confirmation of Mr. Carlos Gutierrez to serve as our Nation’s Secretary of Commerce. As Secretary of the Department of Commerce, Mr. Gutierrez will take over the helm of a venerable department, for example, responsible for counting fish as well as people, predicting the weather, developing and promoting standards, technology, and promoting fair trade. This is a very difficult and complex appointment, but I believe Mr. Gutierrez’s impressive background and experience will serve him well in this position.

He was born in Cuba. Mr. Gutierrez left Havana in 1960, shortly after Fidel Castro took power. Although he has no college degree, through hard work and perseverance, he rose from delivering corn flakes to small stores in Mexico City to the moment when he took over Kellogg’s cereal and convenience food empire.

While at Kellogg, he revitalized the company and put it on a new path of success. Mr. Gutierrez will face a variety of demanding challenges during his tenure. But few are greater than addressing the administration’s current policy on trade. Just this month, our trade deficit hit an astounding and record-breaking $60.3 billion, and I am certain that all of us will agree that this is entirely unacceptable. I would like to see the new Secretary lead the Department in an innovative and comprehensive effort to reverse the current trend. I can assure Mr. Gutierrez that this committee will be a committed partner in such an effort.

I urge my colleagues to support the confirmation of Mr. Carlos Gutierrez to serve as Secretary of Commerce.

I yield the floor.

Mr. STEVENS. Madam President, I yield such time to the Senator from Montana as he may desire to use.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. I thank the chairman of the Commerce Committee. I rise in strong support of Carlos Gutierrez as the next Secretary of Commerce. I applaud the President for this choice for many reasons. Not only is he a classic American success story by any measure.

I am especially happy to see the President choose someone from a manufacturing background. He also has a background on the ground, so to speak. It is something to manufacture a product; it is also something to sell the product because we live in an economic world where nothing happens until a sale is made. Mr. Gutierrez understands both ends of that equation.

For a long time, and since I have been here, this is the first Secretary of Commerce who has an agribusiness background. Everything the Kellogg Company does starts in the ground. I am especially happy about that. I would hope we could work together. I have always said there is nothing wrong on the farm except we just don’t get as much of the consumer dollar as we used to. We are going to work on that kind of situation.

The Commerce Committee oversees some of the most important and complex issues dealing with this country and my State of Montana. With his commitment—I have yet to meet the man, but we have had an extended telephone call—to work with Congress on these issues, his quick response to the questions I sent to him, and the things he is going to do at Commerce, will put him in a position to assist many sectors of our economy. I would like to take a few moments and highlight some of them and where these issues will be discussed prominently in the upcoming session.

Let’s start with one that affects my State, the timber industry and softwood lumber. Small mill operators in Montana rely on an effective enforcement of U.S. trade laws, particularly against unfair trade acts, such as we have seen coming out of Canada. It is important that the Commerce Department ensures full enforcement of the trade laws in the softwood lumber sector. This committee voted unanimously.

The 911 implementation was critical legislation. The enhanced 911 bill that
Mr. Gutierrez is a man with a manufacturing background. I believe his story and can be looked at as an example of what this country can produce. I heartily support his nomination to the Department of Commerce.

Mr. President, again, I applaud the President for his choice. Mr. Gutierrez certainly has a classic American success story and can be looked at as an example of how great our country really is and the opportunities it presents. I am especially happy to see the President has chosen someone with a strong management background. I believe Mr. Gutierrez’s tenure at the Kellogg Company will bring an important insight to the Department in an area that certainly needs attention.

The Department of Commerce oversees some of the most important and controversial issues that challenge my State of Montana. I appreciate Mr. Gutierrez’s commitment to working with Congress on these issues, and his quick response to my questions following his hearing in the Senate Commerce Committee.

Mr. Gutierrez will soon be in the position to assist many important sectors of our economy. I would like to take a few moments to discuss some of the challenges, priorities and issues faced in my State and many others.

As you know, the U.S. timber industries rely on effective enforcement of U.S. trade laws, particularly against unfair Canadian lumber imports. In evaluating the extent of Canadian timber subsidies, for example, it is imperative that the Commerce Department ascertain the true market value of Canadian timber in comparison to timber pricing data that reflects full value. It is important that the Department ensures full enforcement of the trade laws in the softwood lumber sector, including selection of accurate subsidy-measurement benchmarks.

Mr. Gutierrez has indicated his support of full enforcement of trade laws in the softwood lumber sector and I applaud that support.

Again, I want to reiterate my support for Mr. Gutierrez’s nomination. I look forward to working with him on many of the challenges that my State and this country face under a vast umbrella called the Department of Commerce. That is what makes our committee particularly proud. The most exciting committees of any that operates in the Senate. I heartily support his nomination. He should be confirmed.

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Mr. President, during my time as the Chairman of the Communications Subcommittee, I made it a priority to move forward and implement the deployment of universal broadband. Along with my colleague Senator Jay Rockefeller, we have pushed for legislation that would work toward broadband access. As you may know, broadband access will allow companies to accelerate depreciation of capital-intensive broadband equipment. I am hopeful that the Department will provide investment in passing this legislation as part of the President’s vast broadband vision.

I also would urge the Secretary to devote his personal attention to an important issue regarding the future of the Internet. I am referring to the security of the Domain Name System, which is what ensures that each website address in the Internet resolves to a unique website reliably and securely. It is vital for the future of e-commerce, and for the economy that increasingly depends on it, that this process work flawlessly. During the Clinton administration, a private non-profit company known as the Internet Corporation for Assigned Names and Numbers, or ICANN, was established to oversee the real technical challenges associated with managing the Domain Name System during a time of explosive growth and political challenges.

However, I am concerned, and I know some of my colleagues are as well, that ICANN may fall victim to “mission creep” in this case, the tendency for it to turn into a mini-international organization, and all the political baggage that comes with that. If so, ICANN’s actions could potentially go well beyond the narrow technical mandate that was envisioned for it at its creation. ICANN currently is subject to an oversight role over ICANN some time next year. I hope the Secretary will review this issue carefully and with all due attention to the national interest and to the interests of Internet stakeholders everywhere.

I also think it is fitting that we discuss this at some length at a time when we are putting a new Commerce Secretary in place.

Moreover, I am concerned with the Department’s role in the debate over how to ensure small manufacturers have access to technical and information resources to allow them to remain competitive.

I again, I would like to reiterate my support for Mr. Gutierrez’s nomination and look forward to working with him on many of the challenges my State and the country are faced with under the vast umbrella of the Department of Commerce.

I yield the floor and thank the chairman of the Commerce Committee for giving me this time.

Mr. Stevens. Mr. President, we have no further speakers on this side. I reserve the remainder of our time.

The PRESIDING OFFICER (Mr. Vitter). The Senator from North Dakota is recognized.

Mr. Dorgan. Mr. President, it is my intention to support the nomination of Mr. Gutierrez to be the Secretary of Commerce, an important position in this administration and for our country’s economic well-being. However, before I do, I want to call the attention of the Senate to some important issues.

I come to the floor to speak at some length about a very serious problem: the burgeoning U.S. trade deficit. This is a threat that fundamentally weakens this country, a trade deficit that last month alone was $60 billion, a trade deficit that will be something over $600 billion for the year 2004, when we finally get the year-end numbers.

During this growing crisis in international trade, the Congress, the President, and virtually all of the official Government, seems to be willing to snore through all of this and pretend it does not exist.

I think it is fitting that we discuss this at some length at a time when we are putting a new Commerce Secretary in place.

I would like to reiterate my support for Mr. Gutierrez’s nomination and look forward to working with him on many of the challenges my State and the country are faced with under the vast umbrella of the Department of Commerce.

I yield the floor and thank the chairman of the Commerce Committee for giving me this time.

Mr. Stevens. Mr. President, we have no further speakers on this side. I reserve the remainder of our time.

The PRESIDING OFFICER (Mr. Vitter). The Senator from North Dakota is recognized.

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I yield the floor and thank the chairman of the Commerce Committee for giving me this time.
Before I do that, let me talk for a moment about Social Security. In recent days there has been a great deal of discussion on that issue. The President indicated that this would be one of the first items we will be confronted with. He talked about the privatization of retirement programs in the Social Security system. Because he says there is a crisis in Social Security. Well, there is not a crisis in Social Security. Let me make it clear. There is no crisis in Social Security. If we have the same economic growth rates we had in the last 75 years that we had in the past 75 years, Social Security will be just fine.

The only way there is a crisis in Social Security—or you can at least create the impression that there is a crisis—is if you attempt to project growth rates that are dramatically lower than that which we have experienced. If you are going to project lower economic growth rates—1.8 percent, for example—over the coming years, then you cannot justify somehow the money in the stock market through private accounts is going to solve any kind of problem.

It is interesting to me that the ethic and value system in America has been that if you are planning to provide for your future, you save for retirement. The President is suggesting that we should borrow $1 trillion to $3 trillion and dump it in the stock market and hope things will be all right. Even as we do that, the amendment leaked from the White House says we will cut Social Security benefits by changing the adjustment on wages and prices. The construct is this: Claim there is a crisis where there is not, and borrow $1 trillion to $3 trillion and put it into the stock market at the same time you cut Social Security benefits.

In my judgment, that is a bad policy, one we ought to resist. It is important for people to understand the Social Security program, not an investment program; it has never been that. It was created in the 1930s and signed into law by Franklin Delano Roosevelt to help the elderly escape the plague of a poverty-ridden old age. When he signed that bill, 50 percent of America’s senior citizens were living in poverty. Now it is less than 10 percent. But it is not now and has never been an investment program. It is a core insurance retirement program. It is the foundation of retirement security. It is always there, not subject to risk. It is core retirement insurance. In fact, if you look at your paycheck, it says the money that comes out of your paycheck for this program is FICA. The “i” in the FICA is for insurance.

The President wants to confuse us by talking about investments. We have a Social Security program that is a core retirement insurance program. It has worked well for over 70 years. It lifted the hopes and lives of so many tens of millions of senior citizens out of poverty.

We have also, under the rubric of retirement incentives, created 401(k) programs and IRA programs and pension incentives, all of which represent investment accounts. I support those. But that is different than the core insurance program called Social Security. In my judgment, we ought to aspire toward Social Security-plus, not Social Security-minus. Those who say the way to build retirement security is to injure the foundation, or begin to take away the foundation that is Social Security, will be the kiss of death to senior citizens. The way for us to enhance and embrace and strengthen retirement security is to build on the first, second, and third floors, not destroy the foundation.

Once again, there is no crisis in Social Security. Let me be the first to say that we are living longer, healthier lives, and so the problems that might occur 20, 40, 60 years from now in Social Security are born of success. We are living longer, healthier lives. And if you believe we will have only 1.8 percent economic growth rates, which is what the basis is for suggesting there is a huge problem in Social Security—if you are a pessimist, then you can suggest there needs to be adjustments in Social Security. But that cannot be a pretext for taking apart the Social Security system. That is what some wish to do. They never liked it, don’t like it now, and want to take it apart. How? They want to create private investment accounts inside the Social Security system, which is a big wet kiss to Wall Street to move money that is borrowed to Wall Street and hope that somehow the social program will be solvent.

We have already had substantial experience in the last several years with economic projections by the people telling us this will work. They inherited the largest budget surplus in the history of this country and we now know they have not kept it in history. They didn’t see it coming. They said, by the way, let’s count these 10 years of surplus before they exist and give them back in tax cuts. Some of us said maybe we ought to be more conservative. These surpluses don’t exist. The President said never mind, Katy bar the door, give all these monies back even though they have not been realized; give them back in tax cuts.

The fact is we turned the largest budget surplus into the largest budget deficit in history. The same people who predicted success for economic failure are the people telling us we ought to take apart the Social Security program under the guise of there being a crisis. Let me make one additional point that I think is very important. Those who tell us that we will have only 1.8 percent economic growth for the next 75 years, and therefore we have a financing problem with Social Security, also say that private accounts in Social Security invested in the stock market will yield 7 percent. Therefore, it will fix the problem. Double-entry bookkeeping doesn’t mean you can pretend. You cannot say on the one hand we are going to have slow economic growth, and therefore a crisis in Social Security, and on the other hand, during periods of slow economic growth we are going to have 7 percent growth on private accounts. It doesn’t work that way. Third-grade math will tell you that is fundamentally wrong.

My hope is we will have a thoughtful, interesting debate about retirement security and about Social Security. I hope at the end of that debate, we will all agree that we should do nothing to undermine Social Security. If we believe that there is nothing more important than our children and taking care of our country—that we want to protect the social safety net that promotes those values.

Social Security has lifted so many in this country out of poverty. It has worked for 70 years and it will work for the next 70 years and well beyond. I for one am not interested in taking apart that which works and which makes the better place in which all of us who gave us what we now have in this country, who went before us and helped build this country, built our communities, factories, and our schools, and helped increase the standard of living, expanded opportunities for our children and for our country—those are the people from whom we have inherited this great life.

If we have decided somehow that we don’t have the wherewithal to continue to make this Social Security system work for them, to keep it a promise they can count on, then there is something wrong with the value system of this Congress. I don’t believe that to be the case. I think at the end of the day we will all agree that Social Security is a value that is important; one we will strengthen and keep.

Enhancing retirement security is important as well and, at the end of the day, ought to be called Social Security-plus. We can do Social Security, keep it strong in the long term, and build further incentives for IRAs, 401(k)s, and pension programs. That ought to be our mission statement.

Let me turn back now to the issue of international trade. We have before us the nominee for the U.S. Department of Commerce. That is one of the agencies in our country that deals with these issues.

Mr. Gutierrez, President Bush’s selection to head the Department, is someone whom I will support today. But I don’t want this moment to pass that all of us moving to confront something that is very uncomfortable for this country, and that is we have a trade policy that is weakening America and that is in fact a “crisis.” I described where the crisis doesn’t exist, in Social Security; but there is a bona fide crisis in international trade.

Last month, we heard a report that we had a $60 billion trade deficit—just
last month alone, $60 billion. We are told that we should expect, when all of last year’s numbers are in, that our trade deficit will top $600 billion. Add to that the budget deficit of over $400 billion, and we have a combined indebtedness now over $1 trillion in this past year, down $1 trillion. Talk about being irresponsible with our kids’ future. This is it. Yet, do you hear anybody talking about the urgency of this? Not a word. Not a whisper. It is like shouting into a strong wind to talk about trade.

Well, let’s talk about some of the issues related to this soaring trade deficit. I am going to go through a series of examples.

The January 10 edition of Time Magazine had an interesting article in it. It says:

Chinese pirate companies have long been accused of illegally copying easy stuff like shoe polish and digital movies. Now General Motors says a Chinese firm knocked off an entire vehicle—and Americans could soon start buying its cars.

So let’s talk about that. It is reported that a Chinese firm, called Chery, has stolen production line blueprints for its compact car called the Chevrolet Spark. It is a car that General Motors spent hundreds of billions of dollars to develop and the copy car is called QQ. It looks like an identical twin to the Spark. The Chinese company is now selling it in China for $3,600, a third less than the General Motors car.

Chery, the automobile company in China, has now announced plans to sell five different models, including a sport utility vehicle, in the U.S. It teamed up, apparently, with Malcolm Bricklin, who bought the Subaru to America in the 1960s. Their plan is to import up to a quarter of a million Cherys a year starting in 2007. The Chinese want to send us a quarter million Chinese cars in a year.

Well, what to make of that? Let me describe a trade agreement that our country made with China a while back. We had a bilateral trade agreement with China. This is a country that had a large surplus with us. Our negotiators negotiated a deal with China. Inexplicably, they agreed to this. They negotiated a deal where the Chinese can impose a 25 percent tariff on any United States cars we ship to China. But the Chinese cars sent to the United States, we impose only a 2.5 percent tariff. So our negotiators said to a country with which we have a giant trade deficit: We will agree with you that you can impose a tariff on bilateral automobile trade that is 10 times higher than that we will agree to impose: 2.5 percent on Chinese cars coming into our country, 25 percent on U.S. cars that we try to sell in China.

You ask yourself: Who on Earth would have done that? I don’t have the foggiest idea. Our negotiators signed it. They apparently wear blue suits, they have tiny little glasses, they are supposed to think, probably have advanced degrees. And yet they close a door somewhere in a private room, someplace in secret, and reach a deal that says to the Chinese: on bilateral automobile trade, you go ahead and impose a tariff 10 times the tariff we impose on automobiles between China and the United States.

Guess what. We sell very few cars in China. We cannot get them in, and the Chinese, having apparently stolen the designs on a new compact car from General Motors, are set to send us a quarter million cars.

Should we perhaps find out who negotiated this sort of incompetence so we make sure they never again negotiate on behalf of our country because this is not some theory?

This is about jobs. When you do this, it means you are reducing America’s job base and enhancing the job base in other countries.

On a related note, in a recent year, we saw 600,000 automobiles come to the United States to be sold in the United States. Guess how many American cars we sold in Korea? We sold 3,800. So Korea sent us 600,000, and we sold them 3,800.

There was a time during this period when Korean consumers seemed to want to buy a pickup truck called the Dodge Dakota. Several dozen orders for Dodge Dakota trucks were coming into Dodge dealers in Korea. Guess what. The Korean government decided to announce that the Dodge Dakota wasn’t safe, because it was capable of having a topper installed in the back, and that wasn’t customary in Korea. So they did a big splashy announcement, and before you knew it, all the orders were cancelled. Korean consumers got the message.

So in Korea they want to sell their cars in the American marketplace, but they do not want our cars sold in Korea. Will we say to the Koreans or the Chinese that our car companies either do the circular trade or make cars in the United States, we impose a 2.5 percent tariff, and they have a 105 percent tariff on cars and motorcycles—indeed, on most things? I don’t think so because our country does not have the nerve, strength, will, or backbone to stand up for America’s economic interests, for American workers, American businesses, and American jobs.

I want just one Member of Congress, in the House or Senate, to justify the 2.5 percent on American cars and the 105 percent on Japanese cars. It is true, because India has 1 billion people. One out of six consumers on this planet lives in India. It is the second most populous nation in the world. Yet, why does it list on the U.S. export markets? Second, 5th, 10th, 15th, 20th? No, 24th.

In fact, we export nearly twice as much to Peru as we export to India. And yet we see all of these reports now about American jobs being sent to India. Apparently, the only thing we can send to India are jobs, not goods. India has a 105 percent tariff on cars and motorcycles—in fact, we cannot send motorcycles into India. Apparently, they put a 25 percent on oranges, over 100 percent on raisins, 30 percent on soybeans, 10 percent on durum wheat.

You know, you can’t have balanced trade these days, can you?

A family in Illinois this year decided to do something different for Christmas. They decided they were going to ban China from under their Christmas tree. The mother decided that she was going to buy U.S.-made Christmas gifts. Peggy and Dave Smedley were going to buy American for Christmas.

Of course, that meant no iPods, no digital cameras, no tabletop football games. And in the end, it was nearly impossible for them to find Christmas gifts they wanted for their children. They found a monopoly board game that appeared to be made in the U.S. but they discovered the dice actually came from China. Their son wanted American-made boots, and Peggy Smedley looked in 30 stores for boots that were made in America before giving up. The Smedley kids were concerned they might not get any presents at all for Christmas because of their mother and dad deciding they wanted to buy American.

The 13-year-old Smedley son said he did not know what to expect because "I
have never bought American before," which I suppose is an innocent comment from a 13-year-old kid about the world in which we live.

Levis used to be all American. They are gone. In fact, I am told that the Levis company does not make any Levis anymore. The Levis Company makes no Levis. All the Levis are made under contract by contractors.

The Christian Science Monitor reported the other day something else that I think is kind of interesting. One would have thought when they walked around with a pair of cowboy boots that they were walking in an all-American pair of shoes, but last month I noticed in the Christian Science Monitor even the cowboy boots now sport "made in China." Tony Lamas, top of the line cowboy boots, inside the label it may read "made in China." Thirty-five to 40 percent of these cowboy boots have now been outsourced.

I have spoken often of Fig Newton cookies. Do you remember the Fig Newton cookies? There was an all-American cookie. Well, next time somebody says, let us have some Mexican food, just say, give me a Fig Newton, from Monterey, Mexico. By the way, Kraft Foods moved the production of the Fig Newton cookies to Monterey, Mexico. So eat a Fig Newton and you are eating Mexican food.

Fruit of the Loom used to be all-American underwear but not any longer. They are gone. Levis are gone. Huffy bicycles are gone. Schwinn Bicycles are gone. Little Red Wagon Radio Flier is gone. They were all American, all made by Americans, all represented jobs for American families, and they are all gone.

What is all of this happening? Well, what has happened is multinational corporations have discovered there are somewhere around a billion people available on this globe who work for a very small amount of money. There is some obsession today that is making a pair of shoes. There are 24 cents direct labor in that pair of shoes that will be sold in Pittsburgh, Fargo, or Los Angeles for $80 a pair, and that woman named Shadisha is going to be paid 24 to 30 cents an hour.

There is someone in China today who is making Huffy bicycles. That man or woman took the job of someone in Ohio who was making $11 an hour, plus benefits. They got fired. They lost their jobs because the Huffy bicycles, which used to be made in China, are now made in Mexico.

In Ohio, workers used to make Huffy bicycles. In fact, Huffy bicycles had a little decal of the American flag. I do not know any of those folks but my guess is that they loved their jobs. They made a great bicycle. They had 20 percent of the bicycle market in America. People could buy them at Sears, Wal-Mart, Kmart. One day when they had to go home and tell their spouse, honey, I have lost my job, that it was a painful day. They had to tell their spouse and their families: I lost this job not because I was a bad worker--I worked for 20 years for this company; I did a good job; I produced a good product—but I lost my job because my company discovered they could hire somebody for 33 cents an hour to build that bicycle.

Incidentally, that bicycle took the American flag off the front decal and replaced it with a decal of the globe once they moved production to China.

What does all of that mean? What does all of that mean for us? We are running giant trade deficits with virtually everyone in the world: China, huge trade deficits. This map shows the world, and it shows in red the countries with which we run trade deficits. It is unbelievable. Here is the United States. Of course we can’t run a deficit with ourselves. We are running a surplus with Australia down here. We will probably fix that soon, as soon as the new trade agreement with Australia kicks in, because in this case, every trade agreement we have done turned out badly for this country because we don’t have the backbone to stand up for the interests of our producers.

Australia, Egypt, Belarus—hey, look—we have a bright spot over here in Belarus; these are among the very few countries with whom we have a deficit. With almost the entire world we are running very large trade deficits; virtually the entire world.

How long will that last? Mexico is a good example. We had a trade surplus with Mexico—a small one, but a trade surplus. Then we did what was called the North American Free Trade Agreement, and this chart shows what happened. Right here is the trade surplus. Then we did a North American Free Trade Agreement. We had a bunch of these economists who, who cannot tell their horses from their plow, who call themselves trade experts, and who tell their phone numbers, give us all kinds of highfalutin’ predictions about what is going to happen. They said this is going to be good for America; the only thing that will come into this country from Mexico with this trade agreement is the product of low-skilled, low-wage jobs. Guess what. The three largest imports into America are automobiles, automobile parts, and electronics, all the product of high-skilled jobs, exactly the opposite of what these so-called economic experts told us.

In the meantime, what happened with our trade with Mexico? We have a
We had roughly a $130 billion deficit with China previously. It is probably $160 to $170 billion just in the last year. Yet we have only 19 people in the Department whose job it is to enforce trade agreements with China.

We have had a $77 billion trade deficit with Korea. There are only 10 people in the Department working on opening up trade markets in Japan.

Our deficit with the European Union is $77 billion. There are only 15 people working to open up the European market. It is unbelievable.

As I have said, we fought for a century about the basic conditions of production and the basic rights of workers. We now accept into this country the products of working people who are told they will try to start a labor union—just fired.

We accept products into this country that are produced by kids. We had a hearing in the Congress some while ago that was heartbreaking. It described children who, in a country far away from Republican and Democrat carpets and rugs. They were locked in buildings making these carpets and rugs. It described the conditions in which the employer took gunpowder and put it on the fingertips of these children and lit the gunpowder to produce scarring, so these young children, using needles to sew these carpets, when they stuck their fingers would not be injured. The scarring would allow these children to be more productive.

Is there an admission price to the American marketplace? Have we decided the 1 billion-plus people around the world under virtually any conditions of production are acceptable for multinational corporations to seek out and to produce products that will be shipped into our marketplace? Is that what we want? Do we believe that is in the long-term economic interests of this country? Do we understand that it will injure this country’s long-term economy? It will mean that we will hollow out not only the manufacturing sector but also the middle class in this country, because the jobs they used to expect, the manufacturing jobs that would pay well, with benefits, are not there. They have been outsourced, a quarter an hour or 50 cents an hour.

Those who talk about these issues are often called protectionists; xenophobic isolationist stooges who just don’t get it.

This fact is, I am interested in protecting the economic interests of this country. No, I am not interested in protecting Americans from fair competition. I think competition represents something that is important to this country, because it makes them better producers. But fair competition is critical. I don’t believe producers or workers in this country can or should be linked to competition with those in other parts of the world who can produce in circumstances where they pollute the air and water, hire children, pay pennies, and work in unsafe plants.

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They are under suspicion of taking a vacation in Cuba. Tracking American citizens who are doing this is unbelievable. The Office of Foreign Assets Control in Treasury is supposed to be tracking their assets. Twenty-one people down at the office of Foreign Assets Control are tracking American citizens who are suspected of taking a vacation in Cuba. They are under suspicion of taking a vacation in Cuba—21 people. They have four people tracking Osama bin Laden’s financial network. It is unbelievably an allocation of resources in this manner.

Why do I raise this? Because in the last 2 months or so the administration has decided they want to shut down the agricultural sales that do exist and can exist legally by reinterpreting when payment must be made and trying to create a circumstance that will wave off those who want to sell into Cuba. Mr. Gutierrez and I had a discussion about this. When I came to see him, he is probably going to have to follow the administration line. It is that our farmers ought to be penalized and ought to be prevented from selling into the Cuban marketplace. The European farmers are able to sell there. The Canadian farmers can sell there. We have a natural advantage to sell into that marketplace because it is closest to us. But this administration wants American farmers and ranchers to pay the cost of their foreign policy.

One day about 2 years ago, as a result of the legislation which I got passed, 22 train car loads of dried peas left North Dakota, the first shipment in 42 years of the legislation which I got passed, 22 train car loads of dried peas left North Dakota, the first shipment in 42 years into the Cuban marketplace. I am proud of that. I think the administration ought to be ashamed at what they are doing. They are saying that trade and travel is the road to enlightenment and the road to democratic reform in China and in Vietnam, but it is not in Cuba. It has nothing to do with common sense. It has to do with politics. The administration knows it, and they are doing it because they cannot tell the American farmers and ranchers—for that matter, people such as Joni Scott or Joan Sloat—paying the price of that burden. It makes no sense at all.

My hope is that as we proceed, some small modicum of common sense have American farmers and ranchers—for that matter, people such as Joni Scott or Joan Sloat—paying the price of that burden. It makes no sense at all. It is not the case, for instance, that outsourcing of American jobs strengthens this country. The President’s chief economic adviser said outsourcing is good. I guess it’s good as long as he doesn’t lose his job. The fact is, neither he nor people like him ever lose their jobs in those constructs. They never lose their jobs. This is about working families, the kind of people who helped build this country of ours, the kind of people who value work. They are the ones who lose their jobs; they are the victims of unfair trade. My hope is just once—perhaps just once—there would be some kind of fire alarm with a $600 billion-a-month trade deficit. But I hear nothing. There is this vast silence. I hear nothing about that being a crisis. All we hear is Social Security is in crisis, which, of course, is not the case.

My hope is that perhaps we can find a way in the coming months, we can all see the administration that there is a crisis in trade, and perhaps have the President call an emergency meeting of policymakers and decide what we do about this. But there is this vast silence about it. Nobody wants to talk about it. Because Politically perhaps nobody here is losing their jobs. But this country will not long remain a world economic power if it doesn’t put its fundamentals in order.

There is a book called “The Lexus and the Olive Tree” written by Tom Friedman. In it, he makes the point that just because there is a run on a bank, it is not about whether the bank is solvent or has a problem, it is about whether people perceive it to be solvent. He makes the point that market traders always perceive strengths and weakness. And when they move against your country and against your currency, beware.

This country cannot long exist with a $1 trillion annual shortfall. In both budget deficits and trade deficits, the fundamentals are out of line—completely out of order—and everyone here should know it. Yet we are walking around here acting as if nothing is happening. That doesn’t serve this country’s interest. We know better. The American people know better. Our trade policies are in serious trouble and deserve our full attention.

On behalf of American workers, on behalf of American businesses, and on behalf of the future of this great country, we owe it to our kids, we owe it to our future to address this important issue.

Ms. CANTWELL. Mr. President, I wanted to let my colleagues know briefly of the reasons why I support the nomination of Carlos M. Gutierrez to be Secretary of Commerce. The Senate will vote on this nomination later today. I had the opportunity to sit down and speak with Mr. Gutierrez at least. We had an informal conversation with matters handled and regulated by the Commerce Department that are important to Washington, such as fisheries, aerospace, and telecommunication. I was impressed by his general business acumen and management skills. I also found him willing to be personally engaged and to engage others on issues outside of his area of expertise. I appreciated his willingness to listen, learn, and be forward to working with him in the future.

Mrs. FEINSTEIN. Mr. President, I want to share my views on the nomination of Carlos Gutierrez to become United States Secretary of Commerce. Gutierrez’s role at Kellogg Company—from selling cereal out of a truck in Mexico City 30 years ago, to serving as the company’s CEO—is truly a remarkable achievement. Such business expertise will be pivotal for Mr. Gutierrez as Secretary of Commerce. In part, for this reason, I am confident that Mr. Gutierrez is a qualified candidate for this office.

Nonetheless, I believe that it is important to take note of the breadth of the Secretary of Commerce’s portfolio and issues that the Secretary of Commerce oversees.

Advancing technology, trade, and business development are just a few of the important responsibilities that the Secretary of Commerce must assume. Particularly, in my home State of California, the Secretary has enormous influence.

The Secretary is responsible for the National Oceanic and Atmospheric Administration, NOAA, which is critical to our ability to make use of oceanic and atmospheric research. For instance, NOAA operates the National Tsunami Mitigation Program, which NOAA created in 1997 and maintains in the Pacific Ocean today.

The Secretary of Commerce also oversees the International Trade Administration—ITA. In agriculture, manufacturing and numerous other sectors, trade plays a vital role in the daily lives of Californians. According to ITA’s latest data, companies exported goods from California in 2002. Of these companies, the overwhelming majority were small or mid-sized enterprises with fewer than 500 employees.

I believe that strengthening our relationships with trading partners is fundamental to the continued growth of California businesses. With the Secretary’s leadership, fair and balanced trade policies will help California’s businesses increase our export capacity even further.

I applaud the nominee’s openness in his previous statements on the need for reforming specific trade policies that need improving. I hope that Mr. Gutierrez will be a force for leveling the playing field for trade in the future.

Although his role representing Kellogg Company was decidedly narrower than that of Commerce Secretary, I expect that Mr. Gutierrez will weigh all the positive and consequence when considering trade policy. The people of California and the United States depend on it.
Much of the Commerce Secretary’s time must be spent encouraging business development. Too many jobs go overseas and I believe that a robust policy to vigorously promote job growth should be a top priority for the Secretary.

Since 2001, over 2.7 million manufacturing jobs have been lost. We have also sustained net job losses in the private sector since 2001 and household median income continues to lag. We can and must do better.

The responsibilities of the Secretary of Commerce are complex and far-reaching, and this will certainly be a challenging position for Mr. Gutierrez. There is a great deal of work to be done, and I look forward to a productive working relationship with Mr. Gutierrez.

Mr. CONRAD. Mr. President, today I want to share a few thoughts on the nomination of Carlos Gutierrez to be Secretary of Commerce.

The Commerce Department has responsibility for a broad range of important issues. Managing this diverse portfolio would be difficult in the best of circumstances. But there are a number of special challenges that make the job facing Mr. Gutierrez even tougher.

Let me start with trade. A couple of days ago, the Commerce Department reported that our trade deficit for November exceeded $60 billion. Twelve years ago, our trade deficit for the entire year was just $90 billion. Now it is on track to exceed $600 billion. This course is unsustainable. If we do not start taking steps now to address this imbalance, we could face a collapse in the value of the dollar that would spark inflation, roll our markets, and dampen our economic prospects for years to come.

I hope Mr. Gutierrez will take this issue very seriously. We need to make it clear to our trading partners that it is not acceptable for them to devalue their currencies to gain a competitive advantage over American producers. We need to strictly enforce our laws against unfair trade practices. We need to insist that our trading partners comply with the trade agreements they have signed with this country. And we need to forcefully advocate for global trade rules that will unequivocally benefit U.S. businesses, farmers, and workers.

I want to touch on one issue in particular. During Mr. Gutierrez’s tenure as CEO, Kellogg lobbied to increase sugar imports into this country. Sugar is a vital industry in my part of the country. The sugar industry pumps $2 billion a year into the economy of the Red River Valley in North Dakota and Minnesota. So it concerns me greatly when anyone suggests we should dismantle our successful sugar program to take in more foreign sugar. Take him his word. I had the opportunity to visit with Mr. Gutierrez a few days ago, and he has assured me he understands that as Secretary of Commerce he would be representing all U.S. businesses, including the U.S. sugar industry and the interests of sugar consuming companies.

We also face big challenges on a host of domestic issues within the jurisdiction of the Commerce Department. For example, over the next 2 years, the Congress will be revisiting the 1996 Telecommunications Act. In the 8 short years since that act was passed, we have had a revolution in communications technology that will require us to rethink many of the rules we adopted then. As we do so, it is critically important that rural areas not be left behind. I have always been a strong supporter of the Universal Service Fund and the assistance it provides to make sure rural areas have access to innovative and affordable telecommunications technology, and look forward to working with Mr. Gutierrez on initiatives to close the technological gap between urban and rural areas.

Carlos Gutierrez brings an impressive business background to this set of challenges. Born in Cuba, raised in Florida, Mr. Gutierrez was working for Kellogg in Mexico. From that start, he was steadily promoted until he became chairman and chief executive officer. As CEO, he has been credited with turning Kellogg around. It is my hope that he will do the same with the success in turning around our trade policy and bring the same energy to tackling the domestic challenges under his purview.

Mr. LEVIN. Mr. President, I heartily support the nomination of Mr. Gutierrez to be Secretary of Commerce. In nominating Kellogg’s CEO Carlos Gutierrez to be the next Secretary of Commerce, President Bush selected a Michigander who has a wealth of business experience both in the U.S. and abroad which gives him a unique understanding of our country’s role and challenges in the global marketplace. He also has a proven track record of wise budget management.

Mr. Gutierrez is the quintessential American dream, emigrating to this country with his parents at the age of 7 from Cuba and working his way up the ranks of the Kellogg company to become its CEO. Mr. Gutierrez has a firm grasp of some of the challenges facing American manufacturers.

The leadership that Mr. Gutierrez used to turn around Kellogg’s financial standing is desperately needed in this country, which has seen high unemployment, record trade deficits, and an unprecedented loss of manufacturing jobs. Mr. Gutierrez will need every bit of his experience to meet the challenges of this new job.

We are facing a manufacturing jobs crisis in our country. The U.S. lost a record number of manufacturing jobs during President Bush’s first term, 149,000 of which were in Michigan. Michigan’s unemployment rate stands at 7 percent, the third worst State in the Nation.

Unfortunately, this crisis has been worsened by the administration’s failure to fund many of the programs that could strengthen our manufacturing sector. The Commerce Department’s Manufacturing Extension Partnership program, for example, which helps small and medium-sized manufacturing companies remain competitive and has led to $3.7 billion in sales and helped create over 100,000 manufacturing jobs in the past four years, faced an 88 percent cut in the President’s 2004 fiscal year budget request and a 63 percent cut in the 2005 fiscal year request.

The President also proposed eliminating the Commerce Department’s Advanced Technology Program, which encourages public-private cooperation and focuses on improving the competitiveness of American companies in the global marketplace. Manufacturing jobs pay high wages, provide health benefits and offer retirement security. We cannot afford to lose these good jobs or let them leave our country.

I am hopeful that as Secretary of Commerce, Carlos Gutierrez will prove to be a strong advocate for these programs.

In addition to rebuilding our base of manufacturing jobs, we need to devise a trade policy that focuses on opening foreign markets rather than employing policies that encourage jobs to move overseas or tolerating foreign barriers to our goods and expanding trade deficits.

During his time at Kellogg, Mr. Gutierrez made haste for the company’s international divisions, including serving as the general manager of Kellogg of Mexico, the president and CEO of Kellogg Canada, Inc., and the...
president of Kellogg Asia-Pacific. These experiences provide him with the expertise needed to address our soaring trade deficit and create a climate where U.S. products have the same access to foreign markets as we give in this country to foreign products.

The U.S. trade deficit has soared to record levels in the past 4 years. We have a failed trade policy as a nation because we have not insisted that our trading partners grant us true reciprocity and we have not forcefully implemented our trade laws.

The U.S. needs to fight much harder to open foreign markets to U.S. goods. In 2003, we had a $124 billion trade deficit with China, and it is expected to exceed $150 billion in 2004; we have a large and persistent automotive deficit with Japan; and we have tolerated currency manipulation by several of our trading partners who have rigged their currency values, making their exports artificially cheap and thus giving their companies a huge trade advantage and devastating U.S. workers, farmers and businesses.

We can reduce this trade deficit by insisting on a level playing field with our trading partners; by closing tax loopholes that provide incentives to businesses to move jobs overseas; and by supporting efforts to ensure that China complies with commitments it has made to the World Trade Organization.

We also need to adequately fund the Trade Adjustment Assistance program, which provides relief for small and medium-sized manufacturing and agricultural companies that experience loss of jobs and sales because of foreign imports. These are all areas that would come under Mr. Gutierrez’s jurisdiction as Secretary of Commerce.

The nomination of Mr. Gutierrez is part of an overhaul of President Bush’s economic team. I am hopeful that this reorganization also represents a new direction for the country, and that we are able to rebuild our manufacturing sector and reverse our trade deficit. Mr. Gutierrez’s background at Kellogg has given him the experience to take the important steps that are necessary to begin to do that.

Mr. LEAHY. Mr. President, I am pleased today to express my support for the nomination of Carlos Gutierrez to be the next Secretary of Commerce. Mr. Gutierrez’s personal history is remarkable. Born in Havana, Cuba, Mr. Gutierrez came to the United States at the age of six. He learned to speak English from a hotel bellhop and at the age of 20, he began working for the Kellogg Company as a truck driver in Mexico City. A little less than 25 years later, Mr. Gutierrez was in charge of the entire company as the chief executive officer and chairman of the board. As CEO, he quickly turned the battered and declining Kellogg into a strong, stable and increasingly profitable company.

While the next Secretary of Commerce will face serious challenges in coming years from a surging trade deficit to a depleted domestic manufacturing base to a weakened dollar—I am confident that Mr. Gutierrez is more than capable to do his agency’s part in taking on these challenges. I believe that Mr. Gutierrez will bring the same type of leadership and determination to the Department of Commerce that he has shown throughout his career in the private sector.

I commend the President for making this nomination. Although Mr. Gutierrez is challenging on all economic issues, there is every indication that he will serve our country effectively and fairly as the Secretary of Commerce. I am proud to support his nomination.

Mr. DOMENICI. Mr. President, I rise today in strong support of the nomination of Carlos Gutierrez to be Secretary of Commerce. Mr. Gutierrez has set a great example for all Americans and has proved himself a true leader and entrepreneur.

It is for this reason I fully support his nomination and I have no doubt he will be a truly superb Secretary of Commerce.

Carlos Gutierrez’s story is truly inspiring and sets a wonderful example for all Americans. Born in Cuba, Carlos, along with his family fled to the United States in 1960 to escape the dictatorship of Fidel Castro. Eventually, the Gutierrez family chose to live in Mexico City. At the age of 20, Carlos Gutierrez’s journey through the world of business began when he took a job driving a truck for the Kellogg cereal company in Mexico City. Within 10 years, Mr. Gutierrez proved himself an invaluable asset to the company and was promoted to general manager of Kellogg’s entire operation in Mexico. Only 15 years later, Mr. Gutierrez achieved the unthinkable and began running the operations for the entire company. This is truly a prime example of the American dream and definitively demonstrates Carlos Gutierrez’s considerable talent for business.

I am also pleased by this nomination because of the diversity it adds to President Bush’s Cabinet. This President has demonstrated a commitment to selecting Americans from all walks of life and ethnic backgrounds to serve him, and I believe that the selection of Carlos Gutierrez is a clear sign of the contributions that Hispanic Americans are making to our Nation.

I believe as Secretary of Commerce, Carlos Gutierrez will continue to display the values and leadership which have been prevalent throughout his career. I have no doubt that as Secretary of Commerce Mr. Gutierrez will be able to meet any challenge facing this country in the future.

Mr. HATCH. Mr. President, I rise to express my support for Mr. Carlos Gutierrez as our new Secretary of Commerce.

Considering the global nature of the marketplace, Carlos Gutierrez is an outstanding choice for Secretary of Commerce. Without a doubt, Mr. Gutierrez possesses the necessary skills to assume this important position. His skillful leadership has brought strong growth and success to one of the world’s most notable companies. Because of his many years with the Kellogg Company, Mr. Gutierrez understands how to create jobs and foster greater opportunity for all Americans.

I believe that Mr. Gutierrez will do an excellent job in creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

Consumer demand, rising sales, and increased profits are creating confidence and prepared to take the helm of the Commerce Department. Of course, Mr. Gutierrez has many challenges ahead of him, but I am confident that he will serve our country with dedication and distinction.

Mr. FRIST. Fortune magazine describes him as possessing “disarming charisma, steely resolve, and an utter lack of pretension.” The President of the United States has called him as a “great American success story.”

It is my pleasure to support the nomination of Carlos Gutierrez, chairman and CEO of the Kellogg Company, to become America’s next Secretary of Commerce.

Mr. Gutierrez is a true testament to the American Dream. From humble beginnings as a Cuban refugee, he has become one of the most respected and admired businessmen in America. His family fled Cuba when he was just 6 years old. His father ran a successful pineapple company in Havana. Then one day, there was a knock at the door. Fidel Castro’s regime had named the elder Gutierrez an enemy of the state. Mr. Gutierrez’s father was briefly imprisoned. The business was confiscated. Mr. Gutierrez recalls that, “We were on a plane right after that.”

The family landed in Miami Beach in 1960. It was there that 6 year old Carlos learned English from hotel bellhops.

The family eventually settled in Mexico City, and at the age of 20, Mr.
The PRESIDING OFFICER. The Senator may ask consent to do so. Mr. STEVENS. I ask unanimous consent all time be yielded back.

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

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Carlos M. Gutierrez to be Secretary of Commerce.

The nomination was confirmed. Mr. STEVENS. I ask that the President be immediately notified of the confirmation of this nominee.

LEGISLATIVE SESSION

MORNING BUSINESS

Mr. STEVENS. I ask unanimous consent there now be a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. STEVENS. 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. ALLARD. 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. ALLARD. Mr. President, I would like to exercise my right under morning business to make a comment on the Marriage Protection Amendment.

Does my colleague from Montana have a question?

Mr. BAUCUS. No. If the Senator will yield, I ask him how much time he might use?

Mr. ALLARD. Less than 10 minutes.

Mr. BAUCUS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Colorado.

(The remark of Mr. ALLARD pertaining to the submission of S.J. Res. 1 are printed in today's RECORD under "Submitted Resolutions."

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Montana is recognized.

CONGRATULATING SENATOR VITTER

Mr. BAUCUS. Mr. President, first, I congratulate the present occupant of the chair on his election to serve the State of Louisiana in the Senate. I look forward to working with him, as all my colleagues do, and wish him luck while he is in the Senate. I know the people of Louisiana will be well served.

ZAK ANDERSEN

Mr. BAUCUS. Mr. President, I also rise—in fact, it is the primary reason I am here—to recognize and thank a remarkable individual, a member of my team who has served our State of Montana in the Senate for more than 9 years, Zak Andersen.

Zak is leaving the post as my chief of staff to go to work for a government affairs firm that represents folks in Montana and the Northwest, The Gallatin Group.

Zak is a huge fan of that American icon Bruce Springsteen, who once said: "The door’s open but the ride ain’t free.” The same could be said of Zak’s last 9 years.

A graduate of the University of Montana, Zak first started working for me during my 1996 reelection campaign as a door-to-door canvasser. As a sign of things to come, he was quickly bumped up to field coordinator.

After the people of Montana, in 1996, decided to return us to represent them in the Senate, Zak came to work here in my Washington office, where he quickly moved from legislative correspondent, to assistant to the chief of staff, to legislative assistant, to legislative director, and finally chief of staff.

Zak also played a pivotal role in my 2002 reelection campaign, where again the people of Montana decided to return us, at that time with more than 60 percent of the vote.

Zak, of course, is a Montanan. He has an ability to read people, and know Montanans’ real values—our hopes, our wishes, our fears, and our desires. And he uses that almost constantly to help our State.

Zak worked his way from field staff to chief of staff in 9 years’ time. He likes to joke that he “went from garbage band to broadband” in less than a decade. That he did. In the process, he racked up a list of achievements too long to do justice here, but I will name just a few. Recognizing the need for action, for improving our State’s economic well-being, Zak spearheaded my economic development efforts and helped me organize the first ever Montana economic development summit in 2000. That meeting drew more than 1,000 people to Great Falls. That might not sound like a lot of folks back here, but in Montana it is. After that, he helped organize two more economic summits, both of which were huge successes and helped the people in our State get more good high-paying jobs.

Zak also helped me bring new businesses to Montana, companies like National Electric Warranty. He helped Montana businesses grow and expand, businesses like Zoot Enterprises and Summit Design. He should know that his efforts are not lost on the people who found good-paying jobs because of his work. Zak led the appropriations efforts in our office, during which time we got important Montana economic development projects funded, projects such as the Montana Tech in Butte; the Fort Peck Interpretive Center, MonTec in Missoula and Tech Ranch in Bozeman.

Butte; the Fort Peck Interpretive Center, MonTec in Missoula and Tech Ranch in Bozeman.
Recognizing that methamphetamine use has become a scourge in our close-knit Montana communities, Zak helped me wage a 2-year campaign—and boy it was tough; we worked very hard to get that done—to help me get five counties in our State crack down on meth.

Zak also helped me work in this Chamber to get big-ticket legislative items such as tax cuts, Medicare improvements, and new Healthy Forest legislation. These are just a few of Zak’s outright achievements. But it is the intangible abilities that I will remember most in Zak. I can say most in our office will remember those best, too.

In particular is his amazing ability to quickly analyze an issue and break it down into pros and cons, both from the standpoint of policy and of politics. There are a lot of quick minds on Capitol Hill but Zak, to me, stands out as one of the very best, one of the brightest. Undoubtedly, that quickness of mind contributes to his sense of humor: a bit dark, extremely dry, ever so offbeat. Zak’s sense of humor is rare. It is remarkable. He has used it to build bridges with the Montana delegation, to keep my office train on the tracks during some of the more bumpy times, and to mentor younger staffers as they learn the ways of working in this remarkable place.

We will also remember him for his elaborate practical jokes that often involve the entire office. We will recall that we will remember Zak for his uncanny ability to get things done and his relentless commitment to Montana. His no-nonsense style, his can-do attitude helped me and others accomplish great things for our State and most especially for our people.

A humble guy from Helena, Zak embodies Montana—a very bright, talented, committed guy, hard working, genuine, and astute, and ever mindful of the fact that he is very lucky to be here and advocate for the greatest State in the Union. He is extremely loyal.

Zak loves his microbrews, Mr. Bruce Springsteen, a gin-clear trout stream, the Oakland A’s, the University of Montana football. Most of all, he loves his native State of Montana.

Fittingly, one of his favorite authors is Cormac McCarthy. Many of the McCarthy books are about the American West and therefore not for the faint of heart. But they are also very real, sharply punctuated, light on frills, heavy on matters of depth and critical thought—in other words, a bit like Zak.

As the pages of his life open to end, we will all remember Zak: His remarkable abilities, his devotion to the State he loves; and his commitment to excellence in all that he does.

We will miss you, Zak. We will miss you in our office, but we are going to find you very quickly. You are still part of our office. To thank you, Zak, so very much. Montana thanks you and a grateful nation thanks you for your service.

I yield the floor.

Mr. WARNER and Mr. ALLEN pertaining to the introduction of S. 13 are located on Introduced Bills and Joint Resolutions.

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

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

The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 13 are printed in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

The PRESIDING OFFICER. The Senator from Massachusetts.

DEMOCRATIC PRIORITIES AND VALUES

Mr. KENNEDY. Mr. President, today Senate Democrats introduced 10 bills that illustrate the priorities and values we intend to fight for in the coming months to meet our commitments to the American people. It is an agenda for a future of security, opportunity, and responsibility. The contrast with the Bush administration and the Republican leadership in Congress could not be greater. They say they are for ownership, but their vision means an America divided. In a society based on ownership, we are divided by winners and losers, rich and poor, a shrinking middle class, owners and those who cannot join in the ownership.

Republicans see the forces of globalization as a chance for greater profits at the expense of job and wage security for American families. Democrats are for opportunity for all. Our vision is for an America united to provide opportunity for all Americans and to fulfill the American dream.

We embrace the challenges of globalization not by lowering our wages but raising our skills to equip every American to compete for good jobs in the global economy.

I will mention three areas in which Democrats have introduced bills today that reflect our values and priorities.

First, health care. It is an honor to join our Democratic leader and so many of our colleagues in introducing the Affordable Health Care Act in meeting our responsibility to the Medicare Beneficiaries Act. This Affordable Health Care Act creates our health care system to find you very quickly. You are still part of our office. To thank you, Zak, so very much. Montana thanks you and a grateful nation thanks you for your service.

I yield the floor.

The PRESIDING OFFICER (Mr. CONROY). The Senator from Alabama.

(The remarks of Mr. SESSIONS and Mr. WARNER and Mr. ALLEN pertaining to the introduction of S. 77 are located on Introduced Bills and Joint Resolutions.)

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

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

The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 77 are printed in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

The PRESIDING OFFICER. The Senator from Massachusetts.
than any other investment. Democrats are committed to making this investment by expanding Head Start, early Head Start, and childcare funding. At the same time, we propose improving the quality of these programs by requiring improved standards for teachers and ensuring that they are supported, trained, and adequately compensated to do the job.

We also must do more to ensure that America is globally competitive by raising our standards. To be globally competitive, we must also inspire a renaissance in math and science education in America so that all Americans are prepared for the jobs of tomorrow. Today, Democrats are taking an essential first step in winning the global and math and science arms race by making college tuition free for any young person willing to work as a math, science, or special education teacher. We must make the United States first in the world rather than last in math and science.

Finally, when it comes to jobs, the Fair Wage, Competition and Investment Act will help restore the faith of Americans that if they work hard and play by the rules they can live the American dream.

The bill raises the minimum wage to $7.25 an hour to improve the quality of life for 7.5 million workers. Despite Democratic efforts to raise it, the minimum wage has been stuck at $5.15 an hour for 7 long years.

And the bill will restore overtime protections for the more than 6 million Americans denied overtime pay and the guarantee of the 40-hour workweek by the Republican overtime rule. It will also expand overtime protections to cover additional workers.

The Democratic bill eliminates tax breaks for companies that ship good American jobs overseas. It requires companies that send jobs to other countries to provide advance warning to workers and communities.

The bill makes significant investments in America’s roads and waterways, broadband technology, and research and development to increase our competitiveness, improve the quality of our lives, and create new jobs to help cover additional workers.

The Democratic bill covers additional workers.

Jay Bybee, head of the Justice Department’s Office of Legal Counsel, was nominated for a lifetime appellate court judgeship in the spring of 2002, before he wrote the now notorious legal memorandum redefining torture so narrowly that virtually the only victims could be dead soldiers or innocent civilians. Mr. Bybee even went so far as to state that the President could simply decree that any action taken as the Commander in Chief was immune from challenge. Most people who later read that memo have never read its conclusions. But not the White House.

Instead, when the Bybee nomination was not acted on by the Senate in the 107th Congress, President Bush renominated him for the same judgeship in the 108th Congress. Although we asked for Bybee’s OLC writings we received nothing, thus the Senate knew nothing about the Bybee memorandum on torture, and his nomination was confirmed.

William Haynes was, and still is, General Counsel to the Secretary of Defense. As such, he had a personal role in deciding how far Defense Officials could go in interrogating detainees. But he had a problem. High-level military officials and Department lawyers were experienced in these issues and the treaties that governed them, and they were adamantly opposed to the extreme change in policy that he and the Secretary and the White House had pursued.

So he formed a “working group” of lawyers that excluded these dissenters. That working group’s report adopted verbatim some of the most outrageous parts of the Bybee memorandum. In one memo, for example, Mr. Haynes told Secretary Rumsfeld that waterboarding, forced nudity, the use of dogs to create stress, threats to kill the detainee’s family, and other extreme tactics not only do not violate the Uniform Code of Military Justice, but are “humane.”

After he did that, the White House also nominated him to a lifetime judgeship on a Federal court of appeals. Fortunately, by the time the Judiciary Committee was ready to vote on his nomination in late 2003, we had become aware of some of his other controversial legal views, and the Senate did not confirm him. President Bush has chosen to renominate him, however, so the Senate will have another chance to review his role in support of torture.

Condoleezza Rice has been nominated to be Secretary of State, and we will consider her nomination later this week. As national security adviser she was clearly involved in the prisoner abuse issues, but because of the nature of her position, we know less about her role. Two of the members of the Foreign Relations Committee have voted against her nomination, and we will hear their full report in the coming debate.

White House Counsel Alberto Gonzales, as the President’s chief house lawyer, was at the heart of the debate, inside the administration, on prisoner detention and interrogation. Although he says he can’t remember it very well, he apparently was the person the CIA contacted when they wanted to use extreme interrogation methods on someone of interest. He keeps saying he doesn’t recall, but his office obviously helped Mr. Bybee develop the memorandum.

When Mr. Gonzales received the memorandum, he disseminated it far and wide in the military and elsewhere, although he can’t remember how. For almost 2 years, Mr. Gonzales allowed this policy guideline to stand throughout the Government as the administration’s formal policy on prisoner abuse. For almost 2 years it remained in effect, producing a situation and interrogation that the International Committee of the Red Cross, the FBI, the Defense Intelligence Agency itself found abhorrent to the rule of law. When the Bybee memorandum was not confirmed, Mr. Gonzales attempted to distance himself from the White House and the President from it, but he didn’t quite withdraw it.

Suddenly last month, the night before New Year’s Eve, so late that most newspapers could not carry it in the next day’s paper, Mr. Gonzales and his Justice Department and White House colleagues decided that the memo was so clearly erroneous and its standards so extreme, that it should be withdrawn altogether and replaced by a gentler version.

Members of the Senate have asked repeatedly for the relevant documents on all this. But we have not received a single one of the documents we need. Our Senate colleagues have now considered some part of this issue. The Foreign Relations Committee had a brief opportunity to question Ms. Rice last week, but apparently not enough information on her involvement was available to assess her responsibility. The Intelligence Committee is still waiting to hear from the CIA on its role in the prisoner abuses, but as far as I know nothing has been forthcoming. Despite the initiatives and hard work of the chairman, the rank and file members of the Armed Services Committee, Secretary Rumsfeld and his deputies have managed to stonewall and slow-walk us right through the election, and have used a series of separate investigations to propagate the original message that it was just a few bad apples on the night shift who committed the abuses.

We now are told that there was confusion and lack of clarity in the rules on interrogation without any indication that he keeps saying he doesn’t recall, but without any accountability by those we know were involved, such as Mr. Haynes and Mr. Gonzales.
That leaves the Judiciary Committee, which is now considering Mr. Gonzales’s nomination to be Attorney General. What standard should we apply to him? We know that rejection of a cabinet nominee is rare. In all of U.S. history, only hundreds of cabinet nominees have been stopped in committee or withdrawn by the President, only 9 of over 700 cabinet nominees have actually been rejected by the Senate. Two of them have been nominees for Attorney General. President Calvin Coolidge’s nominee for Attorney General was rejected not once but twice and both times by a Senate of his own party.

Mr. Gonzales’s case is a rare case in which a nominee may have been directly responsible for policies and resulting practices that have been counter-productive, contrary to international standards and practices, harmful to our troops’ safety, legally erroneous and plainly inconsistent with the rule of law and the basic values which this administration prides itself on defending.

President Bush’s Inaugural Address resonated with those values last week. “‘From the day of our Founding,’” he said: “we have proclaimed that every man and woman on this earth has rights, and dignity, and matchless value, because they bear the image of the Maker of Heaven and earth.”

The choice before every ruler and every nation, he said, is: the moral choice between oppression, which is always wrong, and freedom which is eternally right.

America’s belief in human dignity will guide our policies, he said.

Americans move forward in every generation by reaffirming all that is good and true that came before—ideals of justice and conduct that are the same yesterday, today, and forever.

Those are lofty values, and all of us agree with them wholeheartedly. But they can be abandoned by the White House in its decision on the use of torture, and our credibility in the world as a leader on human rights and respect for the rule of law has been severely wounded. The cruellest dictators can now cite America’s actions in their own defense.

How can we be true to our own oath to defend the Constitution, if we confirm the highest legal officer in the land a person who may well have encouraged our basic values to be so grossly violated?

So far, Mr. Gonzales has not been responsive to our questions in the Judiciary Committee about his role. He still has time to clear the air, and I urge him to do so.

The position of Attorney General and the issues involved in this nomination go to the heart of our Nation’s commitment to the rule of law. A nominee whose record raises serious doubt about his own commitment to the basic principle should not be confirmed as Attorney General of the United States.

Mr. 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. CORNYN. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. BURR). Without objection, it is so ordered.

NOMINATIONS

Mr. CORNYN. Mr. President, I didn’t intend to speak this afternoon, but after listening to the comments of the Senator from Massachusetts regarding four individuals, three of whose nominations are pending before this body, I believe a brief statement and indeed a brief correction of the Record are necessary.

I am well aware that in politics a charge unanswerable is often a charge believed. Indeed, I think the practice is not too rare that some believe if you make the same erroneous charge over and over and over again despite the fact that your opponent will tire and fail to correct the Record, I don’t want to be guilty of that because I believe not only do the American people need to know the truth and not be misled, the nominees whose integrity has been impugned during this all too painful and sometimes even cruel process deserve better.

Obviously, the Senate in providing its advice and consent on the President’s nominations should ask hard questions, and we should press for answers to those questions. But there does come a point where the process no longer becomes one that can be described as a search for the truth but, rather, becomes akin to harassment, and unfortunately, I think that line has been approached.

Let me explain what I am talking about. The Senator from Massachusetts talked specifically about four individuals—Mr. Bybee, who is now a circuit court judge; Mr. Haynes, who is the general counsel for the Department of Defense; Condoleezza Rice who, as the Chair knows, we all know, has been nominated by the President to be Secretary of State, and whose confirmation we will debate tomorrow, and, finally, the name of Alberto Gonzales, currently White House counsel, having been nominated to serve as Attorney General. Those are the four individuals who are the object of his comments.

I want to be fair to the Senator from Massachusetts. Sometimes when I was listening to him I thought my hearing was betraying me. I was not quite sure what I heard was, in fact, what he was saying because it was so far from what I believe the facts. I believe, and the RECORD will correct me if I am wrong, he used words tantamount to authorize the use of torture. He did, and I wrote this down, speak of a “for-
and Alberto Gonzales—the allegation that somehow they have been involved in a Government policy of condoning torture or authorizing prisoner abuse is just false. It is important to stand up and say so.

Our disagreements about policy, indeed, the foreign policy of this Government, whether it be authorizing the use of force or whatever the issue may be, cannot be used as an excuse to make such scurrilous allegations against public servants who I believe are trying to do their best. If, in fact, somehow this administration and these individuals who are engaged in important public policy decisions did not care one whit about what the law is, what the definition of torture is, and how we can avoid somehow engaging in this sort of illegal and heinous act against any human being, why would they research the law? Why would they write lengthy legal memoranda? Why would they have debates among themselves about what the law is and what Congress proscribed—indeed, what our international treaty obligations prescribe in this area. They would not. You would not be so scrupulous and so careful about what the law provides if you did not care about following the law. That has been what these individuals and this administration and this Government have tried to do under very difficult circumstances.

In conclusion, I hope our disagreements about some aspects of our Nation’s foreign policy, our policy in Iraq, should not be license to distort the facts and impugn the character of these nominees. Three are nominees, one already has been confirmed. We know Mr. Haynes has been renominated by the President to serve as a circuit judge. We know Condoleezza Rice’s nomination to be Secretary of State will be debated tomorrow in the Senate.

Finally, I expect on Wednesday Judge Alberto Gonzales will be voted out of the Judiciary Committee and that nomination will soon come to the Senate.

It appears the opponents of this administration and its policies will pass no opportunity to continue to repeat false charges which cannot be borne out by the facts and which I think need to be corrected.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

(The remarks of Mr. STEVENS pertaining to the introduction of S. 49 are printed in today’s RECORD under “Statements in Introductions Bills and Joint Resolutions.”)

Mr. STEVENS. Mr. 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.

Ms. STABENOW. Mr. President, I rise to speak to the American people about the values and priorities of the Senate Democratic caucus. Today Senate Democrats introduced 10 ambitious leadership bills that will make our country more secure, expand opportunity for all, and honor our responsibility to future and past generations.

The Democratic agenda stands in stark contrast to the priorities advanced by the Republicans. Understand that putting America’s security first means providing troops and their families with the resources they have told us they need to protect our freedom. Where Republican mismanagement has put our country’s security at risk, Democrats will stand with our troops and step up efforts against terrorists by targeting and shutting down the institutions that create them. Where Republicans have stood with big corporations and put the needs of the special interests ahead of the American people, Democrats will work to expand opportunity for families by bringing down health care costs, strengthening education, and creating good-paying jobs.

Democrats will promote fiscal responsibility in Washington with a return to commonsense budgeting. But our most urgent priority is to protect our Nation’s security. That is why we will stand up for our troops. We believe that putting America’s security first means standing up for our troops and their families. We will work to increase our military end strength by up to 40,000 by 2007, and we will create a Guard and Reserve bill of rights to protect and promote the interests of our dedicated citizen soldiers. That includes making sure our troops have the body armor and equipment they need and that their families receive health care and their pay on time while they’re deployed.

This bill also contains measures that would increase survivor benefits from $12,000 to $100,000 for their families, if God forbid, a loved one loses his or her life while serving our country.

We will also target the terrorists more effectively. We will keep America secure by stepping up the fight against the radical terrorists. We will work to increase our special operations forces by 2,000 to attack the terrorists where they are and to protect our freedoms here at home.

Democrats are also united to ensure that the world’s most dangerous weapons stay out of the hands of terrorists. We will expand the pace and scope of programs to eliminate and safeguard nuclear materials, enhance efforts to keep these and other deadly materials out of the hands of terrorists, and assist State and local governments in equipping and training those responsible for dealing with the effects of terrorist attacks involving weapons of mass destruction.

When our veterans come home, we will not abandon them. We will keep our promise to them. We now have a new generation of veterans returning from Iraq and Afghanistan, and we will ensure that all veterans get the health care they deserve. We will make sure that no veteran is forced to choose between a retirement and a disability check.

We will also make the same commitment to the soldiers of today that was made to past veterans with a 21st century GI bill. We understand that one of the most effective ways to increase opportunities for our families is a high quality, good-paying job. The promise of America is that if you work hard and play by the rules, you should have a real opportunity to provide for yourself and your family. For too many Americans, this promise is out of reach today. We must ensure that it is within their grasp.

We must expand economic opportunity for all Americans by protecting American workers and ensuring that we are creating good jobs for today and for the future. Our plan creates new jobs with an expansion of infrastructure programs, encourages innovation, and ensures fair wages. It also eliminates tax incentives for companies that move jobs overseas. It ensures that we enforce our trade policies.

The Stabenow-Corzine bill ensures fair wages for our American workers. It restores overtime pay for 9.7 million American workers and increases the Federal minimum wage over the next 2 years so that we can ensure a livable wage for every American worker. These are the people who serve our food and stock the shelves of our local grocery stores, care for our children and our elderly parents, and it is incredibly important that we honor, respect, and support them and the dignity of work.

It also provides relief to multi-employer pension plans to make them more solvent. These plans are used predominantly by small businesses to provide pension benefits to an estimated 9.7 million American workers. The Stabenow-Corzine bill creates good jobs for today and new jobs for the future, with an expansion of infrastructure programs and the encouragement of innovation.

Across America, thousands of infrastructure projects, from our smallest rural communities, to our biggest cities, await the Capitol to move forward. Making these investments in our roads, bridges, and buses, will enable our quality of life to improve and protect public health and safety. These investments will also create a huge boost to
our economy. For each $1 billion in investment, we create 47,000 good-paying American jobs.

We also need to make investments in technology. Too many communities, mostly in rural and economically disadvantaged areas, lack access to broadband Internet service. More and more, Internet access is a critical part of our economy and our schools. This bill expands broadband access to those underserved areas by allowing broadband service providers to immediately expand high-speed Internet in half of the rural areas. We are committed to providing their investment in equipment to provide broadband access to rural and underserved areas. This is not just the right thing to do, it is the smart thing to do. We are a nation of innovators, of ideas. The key to our economic strength is our leadership in science and technology.

The U.S. is losing ground today to our foreign competitors. Research and development helps create higher quality jobs, increase productivity, and higher productivity among American businesses.

It makes permanent a tax credit for entities that increase their research activities, which is so critical; and it makes available for collaborative partnerships, for research done by a group of businesses or other entities. We also want to ensure that we continue to lead and educate future leaders in science and technology.

Our bill also supports increases in federally funded research at the National Science Foundation, the Office of Science at the Department of Energy, the National Institutes of Health, and the National Institute of Science and Technology, as well as investments in math and science and technology programs at our secondary education institutions.

The Stabenow-Corziine bill eliminates tax incentives for companies that move jobs overseas—a critically important feature today for workers in every State, and I would certainly say in my State of Michigan, where we make things. We make things and grow things and do it well, and we don’t want to see incentives in our Tax Code for companies to move jobs overseas.

We must eliminate tax incentives that actually give companies a tax incentive to move production facilities and jobs overseas. It doesn’t make sense to support a company for moving jobs overseas and, in effect, for pushing the promise of America farther away, farther out of reach.

Let me give you an example. In Greenville, MI—I have spoken about Greenville many times on the floor—electrolux. In Greenville, MI, they have three different shifts going and added over $100 million in new investments in equipment at the Greenville Electrolux plant. They are efficient, effective, and they are doing the job. They are making refrigerators. Electrolux decided they could make a bigger profit if they moved the plant to Mexico and paid $1.57 an hour and no health benefits.

We are losing 2,700 jobs as a result of that and we, unfortunately, have incentives in the law today that encourage that to happen. That is wrong.

We need to tackle the issues of health care, and we are doing that in a way that allows us access to prescription drugs and a lower cost of health care for our businesses. Ultimately, we cannot compete and have a middle class in this country if we are telling everyone they need to work for $1.57 an hour in order to have a job and compete for incentives for their businesses to move to another country. Our bill would require companies to immediately pay tax on the profits they earn abroad for products that are imported back to the United States. We think that is fair.

The Stabenow-Corziine bill ensures that America has a trade policy that addresses our now record trade deficit by enforcing our trade agreements, maintaining a level playing field, and helping workers whose jobs are lost due to unfair labor practices of other nations. We are determined to pursue a trade policy that protects American workers and addresses our record trade deficit.

This bill requires the administration to identify the most important export markets that remain closed to U.S. products and provides the tools needed to open them. As I have said so many times, if we create a level playing field, we create the rules. If we have the same rules for our businesses and our workers that we see in other countries, we will compete and we will win. But it is our job to make sure that happens. That is why this legislation also creates the office of chief enforcement investigator/ negotiator, whose sole responsibility will be to police our trading partners’ performance of their obligations.

This bill will force China to stop manipulating its currency or face a punitive tariff on all Chinese imports to the United States, equal to the unfair trade advantage China currently enjoys.

Let me give you an example of what I think is important. There are many in Michigan, but let me share this. I met with a group of people from Rexair Company in Cadillac, MI, a couple of weeks ago, to talk about the vacuum cleaners. The company’s vice president claimed that the Chinese-made motors for the vacuum cleaners are cheaper because of currency manipulation. The motor is $28.80 in the United States and $21.30 in China. The company would prefer to use U.S.-made motors, but they have to go with the lower cost alternative in order to be competitive.

There is no reason for that difference, except for currency manipulation.

When jobs are lost overseas it doesn’t just hurt individuals, it hurts families, communities like Greenville, MI, and it hurts all of us. Trade adjustment assistance has helped thousands of manufacturing workers get retraining, keep their health insurance, and make a new start. This bill will expand TAA to cover service workers who lose their jobs when companies move jobs overseas. It will also provide health coverage for unemployed workers who are receiving training and they can complete their training and help rebuild communities affected by outsourcing or exporting jobs, by coordinating Federal, State, and local resources to develop a new plan and a framework for these communities that live there. We have a ceiling of a national debt, but we don’t have a ceiling on the U.S. foreign debt, or the annual trade deficits that feed it. That is wrong. It is irresponsible, particularly if you consider that America is now the world’s largest debtor nation.

We will have serious consequences if our trade deficits continue. In the 109th Congress we are going to change that and put America on the path of a more sustainable fiscal future. Our bill will require the administration to convene an emergency interagency meeting and provide Congress with a trade deficit reduction plan, to lower debt levels below the statutory ceiling, whenever the trade deficit reaches 25 percent of our GDP or when the annual trade deficit reaches 5 percent of GDP.

Another component of expanding opportunity for everybody is to provide our children with the best educational opportunities. We have a lot about that. We have an opportunity in the 109th Congress to put in place those opportunities and mean it for our children.

That is why we are going to keep our promise to our children by increasing support for preschool education, fully funding No Child Left Behind, and improving its implementation.

We are committed to finally meeting the Federal commitment to children with disabilities. How long have we talked about that on the Senate floor?

We will also address the shortfall of math, science, and special education teachers by creating tuition incentives for college students to major in these critical fields. We will help expand educational opportunities for college by providing relief from skyrocketing college tuition, increasing the size and access to Pell grants, and supporting proven programs that encourage more young people to attend and succeed in college.

We will also work to make health care more affordable. Spiral health care costs are putting the opportunity of America at risk, making it harder for families to buy health insurance and placing a difficult burden on our small and large businesses, our manufacturers, certainly.

We will address these concerns by making prescription drugs more affordable. How often have I spoken about this on the Senate floor? We will make prescription drug reform possible through the legalization of prescription drug reimportation—in other words, allowing the pharmacists in America, in
Michigan, to do business with pharmacists across the border in Canada and in other places where we know it can be done safely.

In our legislation, we will be making sure prescription drugs are safe by ensuring that drugs are monitored after they are approved for use. We will ensure all children and pregnant women will have health care. We understand how critical it is that we protect Medicaid and work with the States across this country to make sure that health care cost containment here, this program as presented by the President would break the bank; it would cost too much; drug prices would go up, and
the Federal Government could not appropriate money fast enough to take care of it.

Then they started describing the prescription drug program, and it quickly reached the point that even a Harvard trained lawyer couldn’t understand what it was all about. I have sat down with seniors in Illinois and tried to explain to them what this prescription drug plan was all about, and after a while they threw up their hands and said: Senator, wasn’t there an easier way to do this? And the honest answer was: Yes, but we didn’t choose that easier way.

Because of some budgetary considerations and political considerations, we created an extremely complicated program for senior citizens. That program ultimately did not reach a point where seniors approved of it. In fact, most of the seniors in Illinois who I talked to are not only skeptical of this program, they are critical of it. They are not sure how to help them.

The administration—the President—was very smart. He decided to postpone the startup of this program until after the last election. He knew, and I am sure we all do now, that when this program of seniors approved of it. It is too bad we don’t have time to see just how bad it is, how complicated it is, how uncertain it is, and because of those uncertainties many of them will be critical of the Congress that enacted the law and the President who presented it to us for enactment.

So at this point we have a problem before us, a program that is about to go into effect which has uncertain monthly premiums, has a so-called donut hole, which means it covers drugs up to a certain point in their cost and then leaves the individual senior citizens on their own for a period of time as they spend the money out of pocket and then comes back to cover them again. It also has some curious provisions seniors cannot understand, such as supplemental insurance to make up the deficiencies in the prescription drug bill. They are banned, prohibited. It also expressly says Medicare cannot bill. They are banned, prohibited. It says that basically the Government should not be making certain that there is competition for these drug companies. Let them own their products. Let them sell their products. The Government should not be standing in the shoes of the senior citizens who need these prescription drugs, understanding the complexity of the system and the cost of the system. No, no, the Government should step aside. Let the seniors own the program.

I believe a lot of seniors are going to disown the program. The President tells us that turning America into “an ownership society” will solve our re- tirement security problems. Just privatize part of Social Security and give Medicare beneficiaries a voucher so they can buy private prescription drug coverage and the problems are solved.

But I think seniors see through this. They understand that what they are hearing from the administration about Social Security and Medicare do not give them peace of mind. If there are challenges in Social Security, they are in the distant future, as I said in an earlier floor statement: 37 years from now. If we are to make changes, they should be changes that don’t cut the benefits for Social Security retirees and beneficiaries. They should not create an additional national debt of $2 trillion or more, but that is the projection coming from the President’s suggestions.

We will wait for the details. In fairness to the President, he should present this to us in its entirety. It is an interesting fact that we are hearing that we can start privatizing Medicare, Social Security, Medicare prescription drug programs, but here is the reality: 1,500 pages of regulatory gobbledygook, big guaranteed profits for the pharmaceutical companies and the HMOs, and precious little savings for people like Sally Mitchell of Aurora, IL.

Why is this all so complicated and so costly? Because when the Medicare prescription drug benefit was designed, it was with the pharmaceutical companies and the HMOs in mind, not the seniors of America. Instead of simply offering a prescription drug benefit through Medicare, through competitive, bulk prices, we divided the country into 34 regions. This is a map that shows these regions. We are going to have to spend $300 million to explain to seniors what region they live in and what is going to offer prescription drug coverage in each of these regions.

Do you remember when there was a discussion about the Clinton proposal for dealing with the cost of health care? Senator Dole and others came to the Senate floor with this flowchart which showed a spaghetti mess of lines going every single direction. That applies as well to this prescription drug benefit from the Bush administration. Each of the 34 regions on the map that I just showed you have at least 2 private options for prescription drugs, either a prescription drug plan or an HMO. If there are two plans in each region, it means instead of the Secretary of Health and Human Services negotiating on behalf of all 40 million seniors for lower drug prices, pharmaceutical companies will be negotiating with 68 private companies on behalf of seniors.

Think about your negotiating power at the table when you divide the number of seniors by having Medicare bargaining on behalf of all 40 million-plus seniors. Simple economics tells you, lose your negotiating power when the number of people you are representing goes down, as the power of the pharmaceutical companies goes up.

What is worse is that private plans can change their drug formularies after seniors sign up, but the seniors are locked into it. That is right. If you do not start thinking about prescription drug plan the President is proposing, and one of these companies decides it is going to stop carrying the drug that the doctor told you that you needed, you are still stuck with that prescription drug program you signed up for. So if you do your research and decide on a plan in your area because it offers a low price for a drug you are taking, you are locked into that plan, but it can drop coverage of your drug during the year.

The regulations released on Friday also govern bidding by HMOs wanting to contract with Medicare. The HMOs are divided into 26 regions. Although most seniors are happy to receive their benefits directly through Medicare, we will spend $14 billion over the next 10 years to expand coverage by HMOs. The Republicans who passed this argued that the HMOs and private insurance companies could do things more effectively and efficiently.

I just want to offer prescription drug plan the President is proposing, and one of these companies decides it is going to stop carrying the drug that the doctor told you that you needed, you are still stuck with that prescription drug program you signed up for. So if you do your research and decide on a plan in your area because it offers a low price for a drug you are taking, you are locked into that plan, but it can drop coverage of your drug during the year.
wrong with this picture. If they are supposed to be so efficient, why do they make it a Federal subsidy? The sponsor of the bill couldn’t explain it. The private plans are 7 to 9 percent more expensive than Medicare fees for service and less efficient. And we are going to subsidize drug companies with whatever Medicare has to offer?

PaciﬁCare CEO Howard Phanstiel told Bloomberg News over the weekend: “We are encouraged that CMS continues to demonstrate its commitment to be a good business partner with the private sector.” But isn’t it Government agencies’ ﬁrst obligation to seniors and the citizens of this country rather than to the businesses that will proﬁt from this new arrangement?

Let us take a look at Mr. Phanstiel and his colleagues in the HMO industry. He made more than $3 million in the year 2003, the year we passed the Medicare bill. As a result of this bill, many companies and many others like it will make even more money because Mr. Phanstiel’s company will have access to some 700,000 Medicare beneﬁciaries in addition to the ones he currently serves.

When you look at compensation, the CEO of PaciﬁCare is $8.9 million; Larry Glasscock’s compensation, $6.8 million. Here is one CEO who earned $21.6 million. And now we are not going to cut into their proﬁts but increase what they are making. And now we are not going to cut into their proﬁts but increase what they are making.

When Mr. Phanstiel sent this nice thank-you note to CMS, a Federal agency, and said they are continuing to demonstrate their commitment to be a good business partner, it means even more money and proﬁts for the HMOs at the expense of senior citizens.

When it comes to pharmaceutical companies, this chart tells you what happened to the Fortune 500 companies in America. This is the analysis of the 2002 proﬁts, what you will, at a glance, see in the turn on revenues. The No. 1 industry, pharmaceuticals; return on assets, No. 1; return on revenues. The No. 1 industry, pharmaceuticals; return on assets, No. 1; return on revenues. The No. 1 industry, pharmaceuticals; return on assets, No. 1; return on revenues.

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The fact that we didn’t is the reason the administration last Friday had to put 1,500 pages of regulations together on an already complicated bill to try to explore the different options on drug beneﬁt that is, frankly, not what it should be. We started off understanding the need. We passed a bill that didn’t meet that need. Now, in the name of the ownership society, we are saying to people: You own the right to be virtually defenseless in bargaining with pharmaceutical companies and HMOs.

Is that what we are here for—to make certain their proﬁtability goes through the roof at the expense of seniors who can’t afford lifesaving drugs? I don’t think so.

The time will come—and I hope soon—when we will have reforms of this Medicare prescription drug program. When we do, let us keep our ﬁrst obligation to our seniors.

I yield the ﬂoor.

HONORING OUR ARMED FORCES

SERGEANT THOMAS EUGENE Houser

Mr. GRASSLEY. Mr. President, I rise in remembrance of a brave Iowan who has left his countrymen to join the ranks of those who have paid the highest price in the defense of freedom. Sergeant Thomas Eugene Houser was a native of Council Bluffs, IA and was killed on January 3, 2003, in action against enemy forces in the Al Anbar Province of Iraq. He was twenty-two years old.

An active young man, SGT Houser participated in football, wrestling, and track while attending St. Albert’s Catholic High School and is remembered by his family and friends as a compassionate soul who, as his mother says, could “talk to anyone.” As a boy, he dreamed of following in the tradition of military service set by his father and grandfather, a dream which he fulfilled courageously as a member of the 1st Marine Division.

I ask my colleagues to join me and all Iowans in remembering SGT Houser. My prayers go out to his family and friends who feel his loss so deeply. Such men as Thomas Houser inspire us to hold in ever higher esteem the ideals of freedom and service. His valor shall certainly not be forgotten.

PRIVATE FIRST CLASS GUNNAR Becker

Mr. JOHNSON. Mr. President, I rise to pay tribute to PFC Gunnar Becker, a member of the United States Army, who died on January 14, 2005, while serving in Operation Iraqi Freedom.

PFC Becker was a member of the 63rd Armored Regiment, 1st Infantry Division.

Answering America’s call to the military, PFC Becker joined the U.S. Army shortly after graduating from Artesian-Letcher High School in 2003. His friends remember him as a good-natured, outgoing person with boundless enthusiasm and conﬁdence to match. Kelvin Houser, a person who remembers him as always being able to put a smile on people’s faces. Kelvin said, “He knew how to make a person laugh and have a good time, because that’s what he was all about, having a good time.”

PFC Becker served our country and, as a hero, died as a proud member of our Armed Forces. He served as a model of the loyalty and dedication that comes with preservation of freedom. The thoughts and prayers of my family, as well as our Nation’s, are with his family during this time of mourning. As well, our thoughts continue to be with all those families who have children, spouses, parents, and other loved ones who have lost.”

PFC Becker lived life to the fullest and was committed to his family, his Nation, and his community. It was his incredible dedication to helping others that will serve as his greatest legacy. Our Nation is a far better place because of PFC Becker’s contributions, and while his family, friends, and Nation will miss him very much, the best way to honor his life is to remember his commitment to service and his family.

I join with all South Dakotans in expressing my sympathies to the friends and the family of PFC Becker. I know that he will always be missed, but his service to our Nation will never be forgotten.

SPECIALISTS JIMMY BUE, JOSHUA MARCUM and JEREMY McHALFFEY

Mrs. LINCOLN. Mr. President, I rise today to honor the lives of three brave Arkansans and to pay tribute to the sacrifice they made on behalf of our country. SPCs Buie, Marcum, and McHalffey were all beloved by their families, admired by their friends, and respected within their communities. Today, they are remembered as heroes by the grateful Nation for whom they gave their lives.

SPCs Buie, Marcum, and McHalffey were proud members of the Arkansas National Guard’s 39th Infantry Brigade. Together, they served with the 2nd platoon of Bravo Company, 3rd Platoon, and SPCs Buie, Marcum, and McHalffey were all beloved by their families, admired by their friends, and respected within their communities. Today, they are remembered as heroes by the grateful Nation for whom they gave their lives.

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It was obvious to those who served with them that in addition to being outstanding soldiers, these three men were so much more. While the easy-going, SPC Buie and SPC Marcum could always be counted on to brighten a mood with their humor and infectious smiles, the hard-charging SPC
McHalffey often motivated his colleagues with his determination and focus. While the three had differing approaches to their service, they were united in the belief that they were doing what was right; helping rebuild the country, a people they had never met and bringing stability to a nation they had never known.

SPC Buie joined the military upon his graduation from high school in 1980. Later, while working for a dental products company, he met a woman named Lisa who would become the love of his life. The two were inseparable, and the natural chemistry between them soon led to marriage. SPC Buie quickly took to Lisa’s two sons and found great pleasure in spending time with them, whether they were building a go-cart or playing catch.

In his hometown of Batesville, SPC Buie worked as a mechanic at Mark Martin Ford Mercury, where he rightfully earned the reputation of a quiet, hardworking man who always got the job done. He joined the National Guard in August of 2004 and was deployed to Iraq after spending a month of training at Fort Hood, Texas. While serving in Iraq, he spoke with Lisa every Sunday evening. He would convey to her how much he valued and sought to comfort her by knowing folks were praying for him and his comrades in Iraq after spending a month of training at Fort Hood, Texas. While serving in Iraq, he spoke with Lisa every Sunday evening. He would convey to her how much he valued and sought to comfort her by knowing folks were praying for him back in Arkansas, and who used that inspiration to improve the lives of those around him.

SPC Marcum was from the small northern Arkansas town of Evening Shade, where he lived with his wife, Lisa, and their five children. Friends and family describe him as one of the nicest people you could ever meet, a go-cart or playing catch.

While serving in Iraq, SPC Marcum, who had always wanted to be a soldier, was remembered by his comrades as a quiet guy who naturally went out of his way to lend a helping hand to those in need. He disliked cursing, avoided arguments, and had a special calming effect on those around him. He was also the type of person who found pleasure in bringing joy to others; a gift of his that was attributable to his sense of humor, his love of children, and his loving heart.

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While serving in Iraq, SPC Buie worked as a mechanic at Mark Martin Ford Mercury, where he right-handedly earned the reputation of a quiet, hardworking man who always got the job done. He joined the National Guard in August of 2004 and was deployed to Iraq after spending a month of training at Fort Hood, Texas. While serving in Iraq, he spoke with Lisa every Sunday evening. He would convey to her how much he valued and sought to comfort her by knowing folks were praying for him back in Arkansas, and who used that inspiration to improve the lives of those around him.

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nearly 150 years ago, as I am certain that the impact of Cory’s actions will live on far longer than any record of these words.

It is my sad duty to enter the name of Cory R. Depew in the official record of the United States Senate for his service to this country and for his profound commitment to freedom, democracy and peace. When I think about this just cause in which we are engaged, and the unfortunate pain that comes with the loss of our heroes, I hope that families like Cory’s can find comfort in the words of the prophet Isaiah who said, “He will swallow up death in victory; and the Lord God will wipe away tears from off all faces.”" May God grant strength and peace to those who mourn, and may God be with all of you, as I know He is with Cory.

LANCE CORPORAL ERIC HILLENBURG

Mr. BAYH. Mr. President, I rise today with a heavy heart and deep sense of gratitude to honor the life of a brave young man from Hendricks County, LCpl Eric Hilleburg, twenty-one years old, died on December 23 during a patrol when he was struck by small-arms fire in Fallujah. With his entire life before him, Eric risked everything for the values Americans hold close to our hearts, in a land halfway around the world.

After graduating from Chapel Hill Christian School with honors, Eric went on to become a Marine, a dream he first set his sight on at the young age of 14. According to family and friends, Eric followed a long-standing tradition of service as his family has proudly served our country in every conflict since the Civil War. When reflecting upon the loss of his son to our military in a just cause in which we are engaged, I am certain that the impact of Eric’s actions will live on far longer than any record of these words.

It is my sad duty to enter the name of Eric Hilleburg in the official record of the United States Senate for his service to this country and for his profound commitment to freedom, democracy and peace. When I think about this just cause in which we are engaged, and the unfortunate pain that comes with the loss of our heroes, I hope that families like Eric’s can find comfort in the words of the prophet Isaiah who said, “He will swallow up death in victory; and the Lord God will wipe away tears from off all faces.”

May God grant strength and peace to those who mourn, and may God be with all of you, as I know He is with Eric.

CANADIAN SOFTWOOD LUMBER DISPUTE

Mr. CRAIG. Mr. President, I rise today to discuss the latest developments concerning the Canadian softwood lumber dispute. With yet another curious and ultimately inconsequential lumber unfair trade determination today at the behest of a NAFTA dispute panel, it is important to place this matter in proper perspective.

Would the distinguished Senator from Montana and my colleague from Idaho engage in a colloquy with me concerning the Canadian softwood lumber dispute?

Mr. BAUCUS. I would be pleased to engage in such a colloquy.

Mr. CRAPO. I would also like to join my colleagues in a colloquy on this matter.

Mr. CRAIG. The Commerce Department has found repeatedly that Canadian lumber is subsidized and dumped. World Trade Organization and NAFTA dispute settlement panels have definitively rejected Canada’s long-time arguments that its underpricing of timber cannot be deemed a subsidy. The panels have also upheld findings that Canadian lumber is unfairly dumped in the U.S. market. The International Trade Commission has found repeatedly that the unfair imports threaten our industry with harm.

President Bush was well prepared to answer the Canadian Prime Minister last week when he told the Prime Minister that the problem of subsidies and dumping is caused by Canada, and the solution lies with Canada, unless Canada wants the solution that means permanent duties to offset the subsidies and the dumping. In over two decades, Canadian officials have not gotten the message, at least not in a way that takes, that this problem will not be resolved by Canada’s investing hundreds of millions of dollars in legal fees on more than 30 Washington law firms to circumvent U.S. laws in countless appeals to the WTO, to NAFTA panels and to the U.S. courts—several more were filed just this month. And it is not the unfair practices of the industry that has grown up in Canada to mount PR campaigns in the United States.

The U.S. timber industry vigorously supports the administration’s view that the unfair Canadian problem could most appropriately and productively be resolved through negotiations—although perhaps there just ought to be permanent duties in place. But the U.S. timber industry is taking the administration’s high road, and I support it. Some vested interests in Canada do not see this, and prefer endless litigation, probably based on misguided advice that this will be productive from those who have made a living defending Canadian subsidies.

Mr. CRAPO. Specifically, the problem remains that the market is grossly distorted by Canadian unfair trade practices. Absent termination of or an offset to the unfair practices, the U.S. timber industry will be severely impacted by subsidized and dumped Canadian imports. We in the Congress have been assured that those responsible in the administration will not allow this further injury to our industry.

A solution can be either border measures imposed by the United States or Canadian border measures agreed to with the United States pending adequate Canadian timber policy reforms. The Bush administration has concluded that the November 2004 determination of the International Trade Commission that Canadian imports threaten the U.S. industry with injury is an independent basis authorizing and necessitating retention of the countervailing and antidumping duty orders. The United States has faith in winning the NAFTA Challenge Panel hearing proceeding on the injury issue, but even a negative outcome before the committee would not be the end of the matter.

The Bush administration has concluded that duty deposits, amounting to approximately $3 billion and growing daily, cannot and will not be returned absent a negotiated settlement...
between the Canadian and U.S. Governments. The panels can provide prospective but not retroactive relief. In any event, these funds are rightly due under U.S. law to the injured domestic timber industry. If there is a negotiated solution, the funds can be apportioned fairly among all parties of the settlement.

There is zero likelihood that the countervailing duty, antisubsidy, order will disappear absent settlement of the lumber subsidy and dumping issues, no matter how often a NAFTA panel tries to accommodate.

The U.S. right to challenge Canadian log export restrictions at the WTO is clear under the WTO, and Canada is clearly in violation of its WTO obligations. I understand that the Bush administration is evaluating this issue.

I also understand that the U.S. timber industry intends to bring a constitutional challenge to NAFTA dispute settlement if the lumber dumping issue is not resolved. The future of U.S. sawmills and millworkers cannot be allowed to be ruined by outlandish decisionmaking by NAFTA dispute panels and a panelist’s service with an obvious, undisclosed conflict of interest.

Mr. BAUCUS. I agree completely with you. As suggested, a NAFTA dispute panel is requiring that the Commerce Department issue today yet another revised version of the original 2002 lumber-subsidy determination. Given the panel’s pattern of overreaching, it may be a relatively low subsidy estimate. If so, this will be trumpeted in headlines across Canada as a victory for Canada’s lumber policies. Before all those editorial writers seize on this supposed “victory,” they should understand that this determination will have absolutely no legal effect. It is the Commerce Department’s December 2004 findings of a subsidy of over 17 percent and dumping of 4 percent that controls. Hying the January 24 decision ignoring any meaningful test for a subsidy forms a disservice to Canadian interests, which lie in a mutually beneficial negotiated settlement.

Nothing can change the facts. The Canadian provinces provide timber to their lumber companies for a fraction of its value. This harms not only U.S. sawmills, millworkers and forest landowners, but also the Canadian forest. Environmental groups have long decrified the overharvesting of timber caused by undervaluing the resource.

WIND TRANSMISSION FUNDING

Mr. DORGAN. Mr. President, I rise to discuss funding for a wind transmission study that was included in the fiscal year 2005 Omnibus Appropriations bill signed into law last December. As a member of the Senate Energy and Water Appropriations Subcommittee, I appreciate the efforts of Senators Domenici and Reid, the chairman and the ranking member of our subcommittee, to include $500,000 for the Western Area Power Administration, WAPA, to continue its work on the placement of additional wind capacity in the Dakotas. They have generously provided funding for similar work for the past two years, and I am glad these efforts will be continued during this coming fiscal year.

North Dakota, the “Saudi Arabia” of wind. The Department of Energy has long identified North Dakota as having the greatest wind energy resource and potential for wind generation development in the lower 48 States. During my time in the Senate, I have been pushing hard on a number of fronts to develop our wind energy resources. For example, I have been a strong supporter of the Renewable Portfolio Standard, RPS, which requires utilities to produce 10 percent of their electricity from renewable energy sources by 2020. In addition, I believe the Federal Government should be a leader in this area and develop a policy of purchasing electricity from renewable energy sources.

Last February, I hosted the Fifth Annual Wind Energy Conference with the Energy and Environmental Research Center at the University of North Dakota to further promote this clean and limitless energy resource. Wind energy is as American as apple pie. As Nation after Nation attended this successful event, which attracted 436 people from 30 States and three Canadian provinces. Last year, the conference included a second day of events because of the overwhelming interest in wind energy. As a result of the wind energy industry’s growth, North Dakota’s skyline and economic future are forever changing and progressing forward. We will be doing another conference in February 2005, which more broadly embraces renewable energy in the Upper Midwest.

Despite my continued efforts to increase the use of wind as an energy source, North Dakota faces many transmission challenges in moving wind and wind energy to other parts of the country. I have held field hearings in North Dakota on these issues and have also supported the development of new transmission technologies. While the Senate has wisely included funding for the last several years for WAPA to make some progress on these transmission problems, the fact remains that more needs to be done. WAPA and others have done a number of general studies on this issue and I think the next step should be to fund the development of the line of wind energy projects in North Dakota.

The first step we should take to put our Nation’s finances back in order is to stop digging the hole deeper. Restoring a strong pay-go rule would help to do exactly that. This legislation would restore the Senate pay-as-you-go rule to require that mandatory spending and tax legislation be fully paid for, or be subject to a 60-vote point of order. Pay-go is one of the crucial budget enforcement tools that allowed the Federal Government to move from deficit to surplus in the 1990s. Unfortunately, the Senate pay-go rule has been weakened in recent years, in order to allow for passage of large tax cuts. Since then, deficits and debt have skyrocketed.

In 2004, a Democratic amendment was adopted to the Senate Republican budget resolution that would have restored a strong pay-go rule requiring that both mandatory spending and tax cuts be paid for. However, the Republican leadership refused to accept a budget resolution conference agreement that contained the provision, so a strong pay-go rule was not adopted and the strong pay-go rule was never brought into effect. The Fiscal Responsibility for a Sound Future Act

FISCAL RESPONSIBILITY FOR A SOUND FUTURE ACT

Mr. CONRAD. Mr. President, the Fiscal Responsibility for a Sound Future Act would help restore budget discipline and fiscal responsibility to our Nation’s finances. Given the Federal budget’s dramatic swing from record surplus to record deficit and debt over the last few years, it is vital that we restore the strong budget enforcement mechanisms that have worked in the past.

This legislation would return us to a path of budget discipline by restoring a strong pay-go rule, reinstating sequestration to enforce pay-go and discretionary spending caps, and limiting the use of reconciliation to deficit reduction legislation.

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minimum period of at least one year; minimum anemometer height of at least 40 meters; multiple monitoring points allowing calculation of wind shear; a defined system interconnection point and wind right easements required for the proposed project. To make these limits less stringent, I would expect any proposed project to include a 50-50 cost share provision. It is my hope that WAPA will be able to support projects that will accurately determine the transmission requirements and costs associated with the installation of specific wind and coal generation projects.

Following this guidance, it is my expectation that WAPA will use this funding to make real progress on these transmission problems in the next fiscal year, and provide wider benefits to the large region of the U.S. served by WAPA. After all, WAPA was created to market hydropower, a renewable energy resource. Wind is the next step.
Mr. HAGEL. Mr. President, today is the 32nd Annual March for Life on Washington, DC’s National Mall. Individuals from all over the Nation will march together in solidarity, despite the bitterly cold weather, in support of the most basic of human rights: the right to life. The March for Life is an important opportunity to demonstrate a firm and clear commitment to preventing abortion and protecting the rights of each unborn child.

Today I met with 35 representatives from Nebraskans United for Life and Creighton University. They are committed to promoting the right to life for all human beings and work tirelessly to ensure that this issue remains at the forefront of debate.

I strongly support the efforts of the National Right to Life Committee. The March for Life is a powerful reminder of the progress that has been made and the work that remains for the pro-life cause.

Above all, we should focus on education, including the encouragement of abstinence and adoption. Communities, churches, synagogues and families must continue to come together to help provide a strong source of support and counsel for young men and women as they become adults.

HEALTH CARE

Mr. ENZI. Mr. President, rising health care costs and access to affordable health insurance are among the biggest worries Americans face today.

Health care costs are increasing faster than any other basic service in American society. Today, 44 million Americans lack health insurance at any given point during the year, and between 20 to 30 million of them are chronically uninsured.

My Republican colleagues and I will soon be introducing one of our priority bills for the coming Congress. This legislation, the Healthy America Act of 2005, will create an unprecedented and innovative set of health care solutions. These solutions build on the already impressive health care record of the last Congress—principally delivering Medicare prescription drug coverage and innovative, tax-free health savings accounts available to all Americans.

Our bill will include many of President Bush’s health care reform priorities, as well as the nationals developments last year by the Senate Republican Task Force on Health Care Costs and the Uninsured, of which I was proud to be a member.

At the heart of this legislation are measures aimed at restraining health care costs, increasing access to care, and improving health care quality.

Toward this end, one of our—and the President’s—top priorities is comprehensive reform of America’s costly, unfair, and chaotic medical liability system. Our bill will ensure fair and rapid compensation to injured patients, reduce frivolous lawsuits, and limit excessive and costly damage awards.

Also especially important, I believe, is the creation of a new national framework for establishing personal electronic health records and for exchanging health information securely and privately. As the new chairman of the Senate Health, Education, Labor, and Pensions Committee I will be working closely with my colleagues in the coming months to develop legislation that will speed the adoption of standards and enable systems to “talk” to each other. The legislation will save billions of dollars and, potentially, many thousands of lives.

Other critical features of this legislation include a commitment to reforming the struggling small group and individual health insurance markets, expanding the availability of health savings accounts, HSAs, creating targeted tax credits to help Americans purchase private health insurance, and expanding America’s Community Health Centers and related facilities.

Mr. President, this legislation will be a solid foundation and a promising beginning as we begin this new Congress. Together with my colleagues and with the President, I will work tirelessly to ensure that health care costs, access, and quality are at the forefront of our priorities in the weeks and months ahead.

CONFIRMATION OF MARGARET SPELLINGS AS SECRETARY OF EDUCATION

Mr. HATCH. Mr. President, I rise today to express my support for Ms. Margaret Spellings as our new Secretary of Education.

This is a key position at a key time. As I travel around the great State of
Utah, there is no single issue area of greater concern than education. I am proud of the way Utah has been educating the children of my State. Our schools and teachers are among some of the best anywhere. Although we spend less per student than many other States, they are getting a great bang for our buck.

As a strong supporter of education, I have been pleased to play an active role in every piece of education reform legislation that has come before the Congress in the past 28 years. I attended public schools, as did my children and now my grandchildren, and I have faith in our Nation’s schools. I look forward to working closely with Ms. Spellings and the Department of Education, particularly as I return to the Senate Committee on Health, Education, Labor, and Pensions.

I have been impressed by the President’s complete confidence in Ms. Spellings and her ability to serve our Nation and its valuable asset, our children, as our top educator.

While Ms. Spellings’ credentials and experience are very impressive, none is greater than her role as a mother and primary educator of her two daughters. Mary. Without a doubt, the home is the greatest classroom.

We are all aware of Ms. Spellings’ background of service in Texas as chief education advisor to then-Governor George W. Bush. I have been pleased to work with Ms. Spellings during the past four years in her capacity as the Assistant to the President for Domestic Policy. Since the announcement of her nomination by President Bush, I have received numerous letters in support of Ms. Spellings by various groups and individuals concerned about education issues.

Education is the hallmark of domestic issues. While I believe our Nation’s education system ranks among the finest in the world, we can still make improvements. Funding for schools is vital, and I have consistently supported federal funding to assist our Nation’s teachers, schools, and students. I will continue to support programs to enrich and improve our school system.

Ms. Spellings has indicated her strong commitment to the No Child Left Behind Act, NCLB, signed into law by President Bush on January 8, 2002. I have been supportive of NCLB. Even those who don’t agree with everything in NCLB agree that they are now focused on making sure every child is progressing, and they are using innovative approaches to tracking student achievement and motivating them to meet the new standards.

For example, an inner-city school in Utah with a large number of students in low-income, non-English-speaking families is using funds from NCLB to purchase a student tracking database that shows how each child is doing in each subject with every teacher. They know who needs the extra help and in what areas. They are enlistig the support of parents, teachers, and the community to make sure that these kids get the help they need. And they have great results. Test scores are up. Honor roll is up. Parents are more satisfied. Students are taking pride in their education. And, that’s what NCLB is all about.

Of course, NCLB does not mean the law is perfect. We need to fund it better, and too many schools do not make Annual Yearly Progress or AYP because they just do not understand what is required, or misinterpreted the law. I think it is time to adjust. We need to continue to do what is working in NCLB and look at what is not.

Utah has been in the forefront of the debate and was one of the first States to make moves toward possibly opting out of No Child Left Behind, due in part to concerns about retaining State control and objections to federal mandates without sufficient funding.

Make no mistake, I am a strong advocate for local control of education and want to make sure that there is sufficient flexibility for our States. I trust that the Department of Education will keep open lines of communication with the States and localities as we work together to ensure that truly no child is left behind.

I was particularly pleased that during her hearing before the Senate HELP Committee, Ms. Spellings accepted my invitation to personally visit Utah to meet with legislators and educators there. We look forward to her visit.

With her confirmation, Ms. Spellings will replace Secretary Rodrick Paige. I would like to take a moment to note outgoing Secretary Rodrick Paige’s service. During his tenure, he led the implementation of major education reforms. He showed great commitment to providing our children a quality education, notwithstanding their circumstances, thereby honoring the pledge to leave no child behind. While doing so, Secretary Paige demonstrated willingness to consider certain adjustments in an effort to align the implementation of the No Child Left Behind Act with the intent of the law. We thank him for his service.

Without a doubt, Ms. Spellings has many challenges ahead, but I am confident that she will serve our country with dedication and distinction.

I yield the floor.

IN HONOR OF DR. MARTIN LUTHER KING, JR.’S BIRTHDAY

Mr. LAUTENBERG. Mr. President, I am pleased to announce that this statement be inserted in the proper place in the RECORD.

I rise today to honor the life and legacy of Reverend Dr. Martin Luther King, Jr.

While I participated in an event commemorating the life of Dr. King at the Community Agape Church in Linden, New Jersey, I felt it was important to pay tribute to the life and legacy of this extraordinary American on the first legislative day of this 109th Congress.

The impact of Dr. King’s life, actions and deeds is just as great today as it was 36 years ago, when his life was taken from us. Dr. King accomplished so much in his short life as pastor, civil rights activist and leader, Nobel Peace Prize recipient, Time magazine’s Man of the Year, and in many ways, the emancipator of all Americans.

Dr. King’s adherence to nonviolence in the pursuit of social justice left an indelible mark on our nation’s history and conscience. Clearly, much progress has been made in the struggle for civil rights, equality and social justice. We rightly pay tribute to the civil rights accomplishments to date, and we rightly attribute much of that progress to Dr. King.

But there is still much to do. And sadly, the current administration has had a disappointing record on civil rights and has shown in shouldering leadership responsibility on these important issues.

Two years ago, on the week before we celebrated the birthday of Dr. King, President Bush intervened in a case before the United States Supreme Court in an effort to destroy affirmative action, which is effectively “equal education rights” for African Americans and other minority groups.

The case involved the University of Michigan affirmative action program which used race as one factor among many when selecting incoming students. I joined other United States Senators in an amicus brief in support of the University of Michigan affirmative action program. Thankfully, in its first ruling on affirmative action in higher education admissions in 25 years, the nation’s highest court ruled on June 23, 2003, that race can be used in university admissions decisions. Justice Sandra Day O’Connor was the pivotal deciding vote in the case, saying that affirmative action is still needed in America—but hoped that its days are numbered.

Last year, on Dr. King’s 75th birthday, President Bush went to Atlanta and laid a wreath at Dr. King’s grave. The very next day, despite protest from the civil rights community and against the expressed will of the Senate, President Bush recess appointed Judge Charles Pickering to the Fifth Circuit Court of Appeals.

President Bush cast aside several significant concerns of the African American and civil rights community. Some of these concerns included: Judge Pickering’s support as a State Senator in the 1960s for the Mississippi Sovereignty Commission, which was established to prevent the implementation of Brown v. Board of Education; Judge Pickering’s opposition as a legislator and Federal judge to voting rights for African Americans; and Judge Pickering’s distinction as a Federal judge on two of the key protections of equal voting rights for all Americans—the one person-one vote.
Constitutional doctrine and the Voting Rights Act.

These are just two examples of a broader indifference President Bush has shown to the social, economic, and legal obstacles African-Americans are forced to overcome in their ongoing effort to achieve equality.

Affirmative action has proven beneficial in combating past discrimination and it remains necessary today. Judge Pickerings is just one of a host of judicial nominees opposing civil rights President Bush has put forth as part of a larger effort to pack the Federal courts with ultra-conservative ideologues.

Each of us must do our part to advance the legacy of Dr. Martin Luther King, Jr., and to promote civil rights equality. I will continue to provide leadership in the 109th Congress to help minority businesses, increase access to education and health care, improve job growth, and fight racial profiling.

I believe that President Bush and the entire Congress will do the same.

TRIBUTE TO STEVE BEASLEY

Mr. BAUCUS. Mr. President, I rise today to say a few words of thanks to Steve Beasley, an outstanding agriculture economist at USDA who recently completed a year-long fellowship on the Senate Finance Committee. Steve's service to the committee, and by extension to the State of Montana, will be remembered fondly and with great appreciation.

A year ago I was able to snap Steve away from his job at the Foreign Agriculture Service at the Department of Agriculture. He brought to us years of experience in foreign market development and capacity-building. During his time with the committee, his expertise proved invaluable as he worked on calculating the effects of the North American Free Trade Agreement on Montana agricultural products, analyzing the effect of agricultural trade liberalization on crop prices over the past few years, as well as helping prepare me for trade missions to Australia, New Zealand, China, Japan, and Thailand.

Half of my State's economy is based on agriculture, and the work Steve did for us will serve us for the next several years as we examine the effects of trade on our economy's largest sector. I am sad to see him go, but I know the USDA is eager to get him back. I thank him for his hard work over this past year, and I wish him all the luck in the future.

TRIBUTE TO MR. PAUL KASTEN

Mr. BURNS. Mr. President, Senator Baucus and I are honored today to pay tribute to Paul Kasten and thank him for the exceptional service and commitment he has given to the people of Montana. Mr. Kasten served faithfully with the U.S. Postal Service, particularly to Montanans along the Brockway, Paris, Watkins, and Flow-ers Wells rural mail route loop. As he celebrates a well-deserved retirement, let it be known that he leaves behind a memorable and strong legacy, spanning 57 years of dedicated service to the U.S. Postal Service, his eastern Montana mail route, and to the people of the 34th Montana Congressional District. Congressman Rehberg sends his support and congratulations as well for Paul's significant achievement.

Beginning with a team of horses, Mr. Kasten delivered the mail faithfully to this frontier mail route for 57 noteworthy years, honorably upholding the U.S. Postal Service's code of conduct. In fact, he has gone above and beyond the call of duty on many occasions, delivering groceries and other necessary items to many people along this remote mail route during his tenure. It is clear that Mr. Paul Kasten has ceaselessly served the U.S. Postal Service and the State of Montana for nearly six decades, and is justly deserving of the honor due to him today. It is with great pride that Senator Baucus and I bring to the attention of this great body the hard work that Mr. Kasten has completed, both to the State of Montana and to Montana's people. Thank you for all your commendable service, Paul, and we wish you and your family all the best in your future endeavors.

ADDITIONAL STATEMENTS

HONORING DENNIS WIESE

- Mr. JOHNSON. Mr. President, I rise today to publicly commend the work of Mr. Dennis Wiese, President of South Dakota Farmers Union, SDFU, for his 12 years of dedicated service to South Dakota's farmers, ranchers and rural people. After six and a half terms as President of SDFU, Dennis has decided not to seek reelection and will begin his own consulting business in his hometown of Flandreau, SD.

Over the years, Dennis has been extraordinarily committed to South Dakota agriculture and is a real ambassador for farming and ranching in the state. As chair of the National Farmers Union subcommittee that worked on the farm bill rural development section, Dennis' insight was invaluable, during negotiations on the Farm Security and Rural Investment Act of 2002.

Since its establishment in 1914, South Dakota Farmers Union has consistently been a voice for family farmers and ranchers, always striving to improve the business climate for agriculture and the quality of life for all South Dakotans. Now, 91 years later, SDFU is regarded as the leader on issues concerning concentration in the agri-business sector. I have always been able to rely on Dennis and the SDFU for the backing needed to stand up for family farmers and agricultural producers and the special position they hold America's business and cultural structure. Always looking to improve the quality of rural living, Dennis has been a consistent champion for fair trade, even when the notion has been unpopular to some. Throughout his presidency, Dennis faced some difficult situations. However, he never lost sight of the concerns important to South Dakotans and continued to work for the betterment of rural America.

Under Dennis' leadership, SDFU has enhanced the lives of thousands of South Dakotans through various educational programs, particularly those aimed at the younger generation of farmers. Involvement in the SDFU education program jumped from 389 young producers enrolled in camps in 1987, to over 1,200 participants in the most recent camps. These camps teach young people about the benefits of cooperatives and shared responsibility, as well as the important rural values that make South Dakota stronger. As Dennis noted in his farewell speech to SDFU:

The most important Farmers Union is not the Farmers Union of yesterday. It is not the Farmers Union that I inherited from Dallas Tonnager, or the one that Dennis Pickering is just one of a host of judicial nominees opposing civil rights President Bush has put forth as part of an even greater effort to pack the Federal courts with ultra-conservative ideologues.

A year ago I was able to snap Steve away from his job at the Foreign Agriculture Service at the Department of Agriculture. He brought to us years of experience in foreign market development and capacity-building. During his time with the committee, his expertise proved invaluable as he worked on calculating the effects of the North American Free Trade Agreement on Montana agricultural products, analyzing the effect of agricultural trade liberalization on crop prices over the past few years, as well as helping prepare me for trade missions to Australia, New Zealand, China, Japan, and Thailand.

Half of my State's economy is based on agriculture, and the work Steve did for us will serve us for the next several years as we examine the effects of trade on our economy's largest sector. I am sad to see him go, but I know the USDA is eager to get him back. I thank him for his hard work over this past year, and I wish him all the luck in the future.

HONORING DR. VINE DELORIA, JR.

- Mr. JOHNSON. Mr. President, it is with great honor that I share Dennis' accomplishments with my colleagues and publicly commend him for excellently serving South Dakota and family farmers. I wish the very best for him, his wife Julie, and his children Dayton, Kyle, Owen and Elyssa.

HONORING DR. VINE DELORIA, JR.

- Mr. JOHNSON. Mr. President, it is with great honor that I publicly commend Dr. Vine Deloria, Jr., for receiving the American Indian Visionary Award.

Dr. Deloria, a member of the Standing Rock Sioux tribe, is a distinguished Native American scholar whose research, writings, and teaching span history, law, religion, and politics. This honor was given by the Native American publication, Indian Country Today, honors those who display "the highest qualities and attributes of leadership in defending the foundations of American Indian freedom." This is an honor Dr. Deloria richly deserves.

Born in 1933 in Martin, SD., Dr. Deloria has been at the forefront of American Indian activism since the 1960s. As executive director of the National Congress of American Indians from 1969 to 1977, Dr. Deloria frequently worked with leaders whose experience dated back to the Indian Reorganization Act of 1934. Consequently, Dr. Deloria attributes his involvement
in the Indian movement to working with those influential people, as they encouraged a new breed of activists.

For the past 4 decades, Dr. Deloria has been a voice of influence in Indian history, writing more than twenty books and countless articles and lectures. His work stimulated political thinking and discourse among Indian activists. As Wilma Mankiller, former Principal Chief of the Cherokee Nation, said of Dr. Deloria, “No writer has more clearly articulated the unspoken emotions, dreams and lifeways of contemporary Native people.”

Now a retired professor of political science from the University of Colorado, Dr. Deloria is still writing and inspiring young activists from his home in Tucson, Arizona. In fact, Time magazine recognized Deloria as one of the 11 most influential religious thinkers of the twentieth century. As Indian Country Today notes, “Vine Deloria Jr. provided enormous perception, guidance, strategy and sheer analytical heft to the struggle for respect and justice for American Indians.”

Dr. Vine Deloria, Jr., is an extraordinary pioneer and supporter of Native American rights and the honor of winning the American Indian Visionary Award is one he highly deserves. He is a man of great scholarship and knowledge, and will continue to shape history for years to come. Dr. Deloria has never sought honors or recognition, but his scholarship has brought him well-deserved accolades. It is an honor for me to share his accomplishments with my colleagues and to publicly commend Dr. Deloria on his talent and commitment to history, understanding, and education.

TRIBUTE TO DR. DAVID A. AUSTIN

• Mr. JEFFORDS. Mr. President, it is with a heavy heart that I rise today to pay tribute to Dr. David A. Austin, an extraordinary man who touched many lives but passed away on November 4, 2004.

Dr. Austin lived a life full of vitality and enthusiasm. He had an accomplished career, always helped others without thought for himself and made his family the center of his life.

Dr. Austin was born in Brattleboro, VT, and graduated from St. Michael’s High School and received his Bachelor of Science from St. Michael’s College. From there he went on to medical school at the University of Vermont where he began his lifelong career of healing and helping others.

After completing his active duty and residency at St. Albans Naval Hospital in New York, Dr. Austin opened his medical practice in Rutland in 1970. When not practicing medicine, he was busy serving the community as a member of the Christ the King Elementary School Parent-Teacher Association and the Mount St. Joseph Academy school board, on both of which he served as president for a time.

Later in life, when many people his age were settling into retirement, he was called up during the first Gulf War to Bahrain to serve his country once again, after which he was awarded the Presidential Meritorious Service Medal.

But one of his greatest honors came last April when his peers in the medical community awarded him the Physician of the Year Award. A better man could not have been recognized. Dr. Austin will be missed by family, friends and all those he touched with his healing hand.

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.)

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. CRAIG for the Committee on Veterans’ Affairs.

* Nomination was reported with recommendation that it be confirmed subject to the nominee’s commitment to
INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, without objection:

By Mr. GREGG (for himself, Mr. FRIST, Mr. SESSIONS, Mr. DeWINE, Mr. ALLEN, Mr. SANTORUM, Mr. MCONNELL, and Mr. DeMINT):

S. 1. A bill to strengthen and protect America in the war on terror; to the Committee on Finance.

By Mr. SANTORUM (for himself, Mrs. HUTCHISON, Mr. FRIST, and Mr. MCCONNELL):

S. 6. A bill to amend the Internal Revenue Code of 1986 to provide permanent family tax relief, to reauthorize and improve the program of block grants to States for temporary assistance for needy families and to improve access to quality child care, and to provide incentives for charitable contributions by individuals and businesses, to improve the public disclosure of activities of exempt organizations, and to enhance the ability of low-income Americans to maintain financial security by building assets, and for other purposes; to the Committee on Finance.

By Mr. ENSIGN (for himself, Mr. HAGEL, Mr. BROWNBACK, Mr. SANTORUM, Mr. KYL, Mr. FRIST, Mrs. DOLE, Mr. SESSIONS, Mr. GRASSLEY, Mr. ALLEN, Mr. BUNNING, Mr. CORBURN, Mr. DeMINT, and Mr. MCONNELL):

S. 7. A bill to increase American jobs and economic growth by making permanent the individual income tax rate reductions, the reduction in the capital gains and dividend tax rates, and the repeal of the estate, gift, and generation-skipping transfer taxes; to the Committee on Finance.

By Mr. KYL (for himself, Mr. FRIST, Mr. DeMINT, and Mr. MCONNELL):

S. 8. A bill to amend title 18, United States Code, to provide for the development of a national program to include individuals and components of the Armed Forces who are called to active duty, and for other purposes; to the Committee on Finance.

By Mr. SESSIONS, Mr. GRASSLEY, Mr. ALLEN, Mr. BUNNING, Mr. CORBURN, Mr. DeMINT, and Mr. MCONNELL:

S. 9. A bill to improve American competitiveness in the global economy by improving and strengthening federal education and training programs, and for other purposes; to the Committee on Finance.

By Mr. LEVIN (for himself, Mr. REID, Mr. MUKULSKI, Mr. STABENOW, Mr. INOUYE, Mr. DORGAN, Mr. LAUTENBERG, Mr. LEAHY, Mr. SALAZAR, Mr. ROCKFELLER, Mrs. MURRAY, Mr. FEINSTEIN, Mr. DURBIN, Mr. KENNEDY, Mr. CORZINE, Mr. PORYOR, Mr. NELSON of Nebraska, Mr. REID, Mr. SCHUMER, and Mr. DAYTON):

S. 11. A bill to amend title 10, United States Code, to ensure that the strength of the Armed Forces and the protections and benefits of the Armed Forces and their families are adequate for keeping the commitment of the people of the United States to support their service members, and for other purposes; to the Committee on Finance.

By Mr. BIDEN (for himself, Mr. REID, Mr. BINGAMAN, Ms. MUKULSKI, Mr. DORGAN, Mr. INOUYE, Mr. ROCKFELLER, Mr. LAUTENBERG, Mr. LEAHY, Mr. ROCKFELLER, Mr. SCHUMER, MR. SARBANES, and Mr. DAYTON):

S. 12. A bill to combat international terrorism, and for other purposes; to the Committee on Foreign Relations.

By Mr. AKAKA (for himself, Mr. REID, Ms. HAGEL, Mr. CORZINE, Mr. KENNEDY, Mr. INOUYE, Mr. DORGAN, Mr. LAUTENBERG, Mr. LEAHY, Mr. SALAZAR, Mr. ROCKFELLER, Mrs. MURRAY, Mr. BINGAMAN, Mr. DURBIN, Mr. KENNEDY, Mr. CORZINE, Mr. PORYOR, Mr. SCHUMER, Mr. SARBANES, and Mr. DAYTON):

S. 13. A bill to amend titles 10 and 38, United States Code, to expand and enhance health care, mental health, transition, and disability benefits for veterans, and for other purposes; to the Committee on Veterans’ Affairs.

By Ms. STABENOW (for herself, Mr. REID, Mr. MUKULSKI, Mr. KENNEDY, Mr. INOUYE, Ms. MIKULSKI, Mr. DORGAN, Mr. LEAHY, Mr. ROCKFELLER, Mr. SCHUMER, Mr. DURBIN, and Mr. DAYTON):

S. 14. A bill to provide fair wages for America’s workers, to create new jobs through investment in America, to provide for fair trade and competition, and for other purposes; to the Committee on Finance.

By Mr. BINGAMAN (for himself, Mr. REID, Mr. KENNEDY, Mr. CORZINE, Mr. SCHUMER, Mr. DODD, Mr. HARKIN, Ms. MIKULSKI, Ms. STABENOW, Mr. LAUTENBERG, Mrs. FEINSTEIN, Mrs. CLINTON, Mr. INOUYE, Mr. ROCKFELLER, Mr. SARBANES, and Mr. DAYTON):

S. 15. A bill to improve education for all students, and for other purposes; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. REID, Ms. STABENOW, Mr. CORZINE, Mr. SCHUMER, Ms. MIKULSKI, Mr. AKAKA, Mr. LEVIN, Mr. KERRY, Mr. LAUTENBERG, Mr. ROCKFELLER, Mr. DODD, Mr. PORYOR, and Mr. DURBIN):

S. 16. A bill to reduce to the cost of quality health care coverage and improve the availability of health care coverage for all Americans, and for other purposes; to the Committee on Finance.

By Mr. DODD (for himself, Ms. MIKULSKI, Ms. STABENOW, Mr. ROCKFELLER, and Mr. SCHUMER):

S. 17. A bill to help America Vote Act of 2002 to protect voting rights and to improve the administration of Federal elections, and for other purposes; to the Committee on Administration.

By Mr. DAYTON (for himself, Mr. REID, Ms. STABENOW, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. CORZINE, Mr. SCHUMER, Ms. MURRAY, Ms. MIKULSKI, Mr. LAUTENBERG, Mr. AKAKA, Mr. INOUYE, Mrs. CLINTON, Mr. LEVIN, Mr. KERRY, Mr. LEAHY, Mr. ROCKFELLER, Mr. DODD, Mr. SARBANES, and Mr. DURBIN):

S. 18. A bill to amend title XVIII of the Social Security Act to make improvements to the medicare program for beneficiaries; to the Committee on Finance.

By Mr. CONRAD (for himself, Mr. REID, Mr. FEINSTEIN, Mr. AKAKA, Mr. ROCKFELLER, Mr. SCHUMER, Mrs. FEINSTEIN, Mr. DAYTON, Mr. DODD, and Mrs. CLINTON):

S. 19. A bill to reduce budget deficits by restoring budget enforcement and strengthening fiscal responsibility; to the Committee on the Budget.

By Mr. REID (for himself, Mrs. MURRAY, Mr. SCHUMER, Mr. CORZINE, Mr. LAUTENBERG, Mrs. CLINTON, Mr. ROCKFELLER, Mr. SCHUMER, Mrs. FEINSTEIN, Mr. CANTWELL, Mr. HARKIN, Ms. MIKULSKI, Mr. INOUYE, Mr. AKAKA, Mr. LEVIN, Mr. KENNEDY, Mr. LEAHY, Mr. WYDEN, and Mr. SARBANES):

S. 20. A bill to expand access to preventive health care services that help reduce unintended pregnancy, reduce the number of abortions, and improve access to women’s health care; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. HUTCHISON:

S. 24. A bill to establish an emergency reserve fund to provide timely financial assistance in response to domestic disasters and emergencies; to the Committee on Finance.

By Mr. CHAMBLISS:

S. 25. A bill to promote freedom, fairness, and economic opportunity by repealing the income tax and other taxes, abolishing the Internal Revenue Service, and enacting a national sales tax to be administered primarily by the States; to the Committee on Finance.

By Mrs. HUTCHISON (for herself, Mr. FRIST, Ms. CANTWELL, Mr. ENSHIN, Mr. ALEXANDER, and Mr. CORNYN):

S. 27. A bill to amend the Internal Revenue Code of 1986 to make permanent the deduction for local general sales taxes; to the Committee on Finance.

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

S. 29. A bill to amend title 18, United States Code, to limit the misuse of social security numbers, to establish criminal penalties for such misuse, and for other purposes; to the Committee on the Judiciary.

By Mr. SARBANES (for himself, Mr. CORZINE, Mrs. CLINTON, Mr. AKAKA, Mr. BINGAMAN, Mr. SCHUMER, Mr. DODD, Mrs. BOXER, Ms. MIKULSKI, and Mr. REID):

S. 31. A bill to amend the Electronic Fund Transfer Act to establish protections for international remittance transfers of funds originating in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DAYTON (for himself, Mr. REID, Mr. DORGAN, Mr. LEAHY, Ms. MIKULSKI, Mr. CORZINE, and Mr. JOHNSON):

S. 32. A bill to enhance the benefits and protections for members of the reserve components of the Armed Forces who are called to active duty, and for other purposes; to the Committee on Armed Services.

By Mrs. CANTWELL (for herself, Mrs. BINGAMAN, Mrs. FEINSTEIN, Mrs. MURRAY, and Mr. FEINGOLD):

S. 33. A bill to prohibit energy market manipulation; to the Committee on Energy and Natural Resources.

By Mr. LIEBERMAN:

S. 34. A bill to provide for the development of a global tsunami detection and warning system, to improve existing communication of tsunami warnings to all potentially affected nations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CONRAD:

S. 35. A bill to amend the Internal Revenue Code of 1986 to extend the credit for production of electricity from wind; to the Committee on Finance.

By Mr. INOUYE:

S. 36. A bill to amend title 10, United States Code, to recognize the United States Department of Defense Cancer Institute, establishment within the Uniformed Services University of the Health Sciences, to require the Institute to promote the health of members of the Armed Forces and veterans by enhancing cancer research and treatment, to provide for a study of the epidemiological causes of cancer among various ethnic groups, for cancer prevention, detection, and treatment efforts, and for other purposes; to the Committee on Armed Services.
By Mrs. FEINSTEIN (for herself and Mrs. HUTCHISON):
S. 37. A bill to extend the special postage stamp for breast cancer research for 2 years; to the Committee on Homeland Security and Governmental Affairs.

By Mrs. MURRAY:
S. 38. A bill to enhance and improve benefits for members of the National Guard and Reserves who serve extended periods on active duty, and for other purposes; to the Committee on Finance.

By Mrs. LINCOLN (for herself, Mr. BINGAMAN, Mrs. MURRAY, Ms. LANDREI bi, Mrs. BOXER, Mr. BARKLEY, and Mr. COGLIA):
S. 40. A bill to amend title XVIII of the Social Security Act to provide Medicare beneficiaries with access to geriatric assessments and geriatric care management, and for other purposes; to the Committee on Finance.

By Mr. NELSON of Nebraska (for himself, Mr. DOMENICI, and Mr. CRAIO):
S. 41. A bill to amend the Safe Drinking Water Act to exempt nonprofit small public water systems from certain drinking water standards relating to naturally occurring contaminants; to the Committee on Environment and Public Works.

By Mr. ALLEN (for himself, Mr. NELSON of Nebraska, Ms. DOLE, Mr. MURKOWSKI, and Mr. VITTER):
S. 44. A bill to amend title 10, United States Code, to increase the death gratuity payable with respect to deceased members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. HAGEL (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. DEWINE, and Mr. OBAMA):
S. 48. A bill to provide certain enhancements to the Montgomery GI Bill Program for certain individuals who serve as members of the Armed Forces after the September 11, 2001, terrorist attacks, and for other purposes; to the Committee on Armed Services.

By Mrs. LEVIN (for himself, Mr. HATCH, and Mr. BURRESS):
S. 46. A bill to amend the Controlled Substances Act to lift the patient limitation on prescribing drug addiction treatments by medical practitioners in group practices, and for other purposes; to the Committee on Finance.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):
S. 47. A bill to provide for the exchange of certain Federal land in the Santa Fe National Forest and certain non-Federal land in the Pecos National Historical Park in the State of New Mexico; to the Committee on Energy and Natural Resources.

By Mr. LAUTENBERG (for himself and Mr. CORZINE):
S. 48. A bill to reauthorize appropriations for the Coastal Heritage Trail Route, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STEVENS (for himself and Ms. MURKOWSKI):
S. 49. A bill to establish a joint Federal-State Floodplain and Erosion Mitigation Commission for the State of Alaska; to the Committee on Energy and Natural Resources.

By Mr. INOUYE (for himself, Mr. STEVENS, Ms. CANTWELL, Mr. BURNS, Mr. LAUTENBERG, Ms. SNOWE, Mr. AKAKA, Ms. MURKOWSKI, Mrs. CLINTON, Mr. SMITH, and Mrs. MURRAY):
S. 50. A bill to authorize the Secretary of Commerce, Science, and Transportation to enhance the National Oceanic and Atmospheric Administration’s tsunami detection, forecast, warning, and mitigation program, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BROWNBACK (for himself, Mr. ALEXANDER, Mr. ALLEN, Mr. BUNNING, Mrs. DOLE, Mr. JACOBSON, Mr. CHAMBLISS, Mr. BURNS, Mr. COBURN, Mr. COLEMAN, Mr. CORNYN, Mr. CRAPO, Mr. DEMINT, Mr. DEWINE, Mr. HAGEL, Mr. GRAHAM, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mr. INOUE, Mr. KYL, Mr. ROBERTS, Mr. SANTORUM, Mr. SESSIONS, Mr. SHELBY, Mr. TALENT, Mr. THUNE, Mr. VITTER, Mr. VOINOVICH, Mr. MARTINEZ, Mr. ENNIS, and Mr. MCCONNELL):
S. 51. A bill to require the President to ensure that women seeking abortion are informed, prior to the abortion, of the pain experienced by their unborn child; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HATCH:
S. 52. A bill to direct the Secretary of the Interior to convene a forum to place real property in Beaver County, Utah; to the Committee on Energy and Natural Resources.

By Mr. HATCH:
S. 53. A bill to amend the Mineral Leasing Act to authorize the Secretary of the Interior to issue separably, for the same area, a lease for tar sand and a lease for oil and gas, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH:
S. 54. A bill to amend the National Trails System Act to require the Secretary of the Interior to update the feasibility and suitability studies of four national historic trails, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ALLARD:
S. 55. A bill to adjust the boundary of Rocky Mountain National Park in the State of Colorado; to the Committee on Energy and Natural Resources.

By Mr. ALLARD (for himself and Mr. BURRESS):
S. 56. A bill to establish the Rio Grande Natural Area in the State of Colorado, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ALLARD:
S. 57. A bill to direct the Secretary of Energy to establish a decommissioning pilot program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Wyoming; to the Committee on Energy and Natural Resources.

By Mr. INOUE (for himself, Mr. STEVENS, and Mr. BURNS):
S. 65. A bill to amend title XVIII of the Social Security Act to provide coverage of services provided by nursing school clinics under Medicaid programs; to the Committee on Finance.

By Mr. INOUE:
S. 66. A bill to amend title XIX of the Social Security Act to provide 100 percent reimbursement for medical assistance provided to a Native Hawaiian through a federally qualified health center or a Native Hawaiian health care system; to the Committee on Finance.

By Mr. INOUE:
S. 69. A bill to amend title XVIII of the Social Security Act to remove the restriction that a clinical psychologist or a clinical social worker provide services in a comprehensive outpatient rehabilitation facility to a patient only under the care of a physician; to the Committee on Armed Services.

By Mr. INOUE:
S. 70. A bill to amend title XVIII of the Social Security Act to provide for patient protection by limiting the number of mandatory overtime hours a nurse may be required to work at certain centers, and for other purposes; to the Committee on Finance.

By Mr. INOUE:
S. 72. A bill to amend title 5, United States Code, to require the issuance of a prisoner-of-war medal to civilian employees of the Federal Government who are formerly detained or interned by an enemy government or a hostile force under wartime conditions; to the Committee on Homeland Security and Governmental Affairs.

By Ms. CANTWELL:
S. 73. A bill to promote food safety and to protect the animal feed supply from bovine spongiform encephalopathy; to the Committee on Agriculture, Nutrition, and Forestry.
By Ms. CANTWELL (for herself and Mrs. MURRAY):
S. 74. A bill to designate a portion of the White Salmon River as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

By Mr. CANTWELL:
S. 75. A bill to permanently increase the maximum annual contribution allowed to be made to Coverdell education savings accounts; to the Committee on Finance.

By Mr. CANTWELL:
S. 76. A bill to amend the Internal Revenue Code of 1986 to permanently increase the maximum contribution allowed to be made to Coverdell education savings accounts, and to provide for a deduction for contributions to education savings accounts; to the Committee on Finance.

By Mr. SESSIONS (for himself and Mr. LIEBERMAN):
S. 77. A bill to amend titles 10 and 38, United States Code, to improve death benefits for the families of deceased members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mrs. HUTCHISON (for herself, Mr. BROWNBACK, Mr. CORNYN, Mr. BUNNING, Mr. BURNS, Mr. HAGEL, and Mr. ENSIGN):
S. 78. A bill to make permanent marriage penalty relief; to the Committee on Finance.

By Mr. INOUYE:
S. 79. A bill to require the Secretary of the Army to establish the validity of the claims of certain Filipinos that they performed military service on behalf of the United States during World War II; to the Committee on Veterans Affairs.

By Mr. INOUYE:
S. 80. A bill to restore the traditional day of observance of Memorial Day, and for other purposes; to the Committee on the Judiciary.

By Mr. CRAIG:
S. 81. A bill for the relief of Benjamin M. Banro; to the Committee on the Judiciary.

By Mr. CRAIG:
S. 82. A bill for the relief of Robert J. Bancroft, of Newport Washington, to permit the payment of backend for overtime incurred in missions flown with the Drug Enforcement Agency; to the Committee on Homeland Security and Governmental Affairs.

By Mr. INOUYE:
S. 83. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for the conversion of publicly held housing corporations into condominiums; to the Committee on Finance.

By Mr. INOUYE:
S. 84. A bill to amend the Internal Revenue Code of 1986 to exempt certain sightseeing flights from taxes on air transportation; to the Committee on Finance.

By Mr. INOUYE:
S. 85. A bill for the relief of Ricke Kaname Fujino of Honolulu, Hawaii; to the Committee on the Judiciary.

By Mr. INOUYE:
S. 86. A bill for the relief of Sung Jun Oh; to the Committee on the Judiciary.

By Mr. INOUYE:
S. 87. A bill to recognize the organization known as the National Academies of Practice; to the Committee on the Judiciary.

By Mr. INOUYE:
S. 88. A bill to allow the psychiatric or psychological examinations required under chapter 313 of title 18, United States Code, relating to employment with mental disease or defect, to be conducted by a clinical social worker; to the Committee on the Judiciary.

By Mr. INOUYE:
S. 89. A bill to amend title VII of the Public Health Service Act to make certain graduate programs in professional psychology eligible to participate in various health professions loan programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:
S. 90. A bill to amend the Public Health Service Act to provide for the establishment of a National Center for Social Work Research; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:
S. 91. A bill to amend title VII of the Public Health Service Act to improve social work student and social work schools are eligible for support under certain programs to assist individuals in pursuing health careers and to attract entries to programs for training projects in geriatrics, and to establish a social work training program; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:
S. 92. A bill to amend title VII of the Public Health Service Act to establish a psychostory post-doctoral fellowship program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:
S. 93. A bill to increase the role of the Secretary of Transportation in administering section 901 of the Merchant Marine Act, 1936, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LUGAR (for himself, Mr. LEAHY, Mrs. LINCOLN, Mrs. DOLLE, and Mr. BERNSTEIN):
S. 94. A bill to amend the Internal Revenue Code of 1986 to provide for a charitable deduction for contributions of food inventory; to the Committee on Finance.

By Mr. LAUTENBERG (for himself and Mr. DEWINE):
S. 95. A bill to amend titles 23 and 49, United States Code, concerning length and weight limitations for vehicles operating on Federal-aid highways, and for other purposes; to the Committee on Environment and Public Works.

By Mr. INHOFE:
S. 96. A bill to target Federal funding for research and development to promote section 1928 of the Social Security Act to encourage the production of influenza vaccines by eliminating the price cap applicable to the purchase of such vaccines under contracts entered into by the Secretary of Health and Human Services, to amend the Internal Revenue Code of 1986 to establish a tax credit to encourage vaccine manufacturers, and for other purposes; to the Committee on Finance.

By Mr. ENZI:
S. 97. A bill to provide for the sale of bentonite in Big Horn County, Wyoming; to the Committee on Energy and Natural Resources.

By Mr. ALLARD (for himself, Mrs. CLINTON, Mr. SHIRLEY, Mr. FEINGOLD, Mr. BURNS, and Mr. ISAACSON):
S. 98. A bill to amend the Bank Holding Company Act of 1956 and the Revised Statutes of the United States to prohibit financial holding companies and national banks from engaging in activities and through, directly or indirectly, in real estate brokerage or real estate management activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ENZI:
S. 99. A bill to authorize the Secretary of the Interior to enter into an inter-state contract with the city of Cheyenne, Wyoming, for the storage of the city’s water in the Kendrick Project, Wyoming; to the Committee on Energy and Natural Resources.

By Mr. ALLARD (for himself and Mr. SALAZAR):
S. 100. A bill to authorize the exchange of certain land in the state of Colorado; to the Committee on Energy and Natural Resources.

By Mr. ENZI:
S. 101. A bill to convey to the town of Frannie, Wyoming, certain land withdrawn by the Commissioner of Reclamation; to the Committee on Energy and Natural Resources.

By Mr. TALENT:
S. 102. A bill to provide grants to States to combat methamphetamine abuse; to the Committee on the Judiciary.

By Mr. TALENT (for himself, Mrs. FEINSTEIN, Mr. BAYH, Mr. NELSON of Nebraska, Mr. DAVYD, Mr. WYDEN, Mr. SALAZAR, Mr. HAGEL, Mr. HARKIN, Mr. SMITH, Mr. COLEMAN, and Mr. GRASSLEY):
S. 103. A bill to respond to the illegal production, distribution, and use of methamphetamine in the United States; and for other purposes; to the Committee on the Judiciary.

By Mr. TALENT (for himself, Mr. WYDEN, Mr. COLEMAN, and Mr. CORZINE):
S. 104. A bill to amend the Internal Revenue Code of 1986 to provide tax-exempt financing of highway projects and rail-truck transfer facilities; to the Committee on Finance.

By Mr. TALENT (for himself, Mr. SESSIONS, and Mr. DEMINT):
S. 105. A bill to reauthorize and improve the program of block grants to States for temporary assistance to needy families, to improve access to quality child care, and for other purposes; to the Committee on Finance.

By Mr. LEVIN:
S. 106. A bill to provide for the reliquefaction of certain entries of candles; to the Committee on Finance.

By Mr. LEVIN:
S. 107. A bill to provide for the reliquefaction of certain entries of clock radiois; to the Committee on Finance.

By Mr. JOHNSON (for himself, Mr. ENZI, Mr. BINGAMAN, and Mr. DUNHAM):
S. 108. A bill to prohibit the operation during a calendar year of the final rule issued by the Secretary of Agriculture to establish standards for the designation of minimal-risk regions for the introduction of bovine spongiform encephalopathy into the United States, including designating Canada as a minimal-risk region, and the importation into the United States from Canada of certain bovine ruminant products during that calendar year; unless labeling is required for the retail sale of a covered commodity during that calendar year; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. VITTER (for himself, Mr. SALAZAR, Mr. THUNE, and Mr. DEMINT):

By Mrs. FEINSTEIN:
S. 110. A bill for the relief of Robert Liang and Alice Liang; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:
S. 111. A bill for the relief of Shigeru Yamada; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:
S. 112. A bill for the relief of Denes Fulop and Gyorgy Fulop; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:
S. 113. A bill to modify the date as of which certain tribal land of the Lenny Rancheria of California is deemed to be held in trust; to the Committee on Indian Affairs.

By Mr. KERRY (for himself, Mr. NEUMANN, Mrs. MURRAY, Mr. LAUTENBERG, Mr. CORZINE, and Ms. CANTWELL):
S. 114. A bill to provide that the President shall exercise such increased authority as the President of the United States deems necessary and appropriate to prevent, prohibit, and respond to acts of terrorism; to the Committee on the Judiciary.
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S. 114. A bill to amend titles XIX and XXI of the Social Security Act to ensure that every uninsured child in America has health insurance coverage, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 115. A bill to require Federal agencies, and persons engaged in interstate commerce, in possession of electronic data containing personal information, to disclose any unauthorized acquisition of such information; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:

S. 116. A bill to require the consent of an individual prior to the sale and marketing of such individual’s personally identifiable information, and for other purposes; to the Committee on the Judiciary.

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

S. 117. A bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. FEINSTEIN:

S. 118. A bill to name the Tule River Energy and Natural Resources District judgeship for the district of Nebraska; to the Committee on the Judiciary.

By Mrs. FEINSTEIN (for herself, Ms. COLES, Mr. SCHUMER, Mr. HAGEL, Mr. DURBIN, Mr. DWINE, Ms. CANTWELL, Mr. INOUYE, and Mr. FEINSTEIN):

S. 119. A bill to provide for the protection of unaccompanied alien children, and for other purposes; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:

S. 120. A bill for the relief of Esidronio Arreola-Saucedo, Maria Elena Cobian Arreola, Navelly Bibiana Arreola, and Cindy Jaye Arreola; to the Committee on the Judiciary.

By Mr. DWINE (for himself, Mr. DURBIN, Mr. ALLEN, Mr. HAGEL, Mr. COLEMAN, Mr. JOHNSON, Mr. OBAMA, and Mr. LEAHY):

S. 121. A bill to amend titles 10 and 38, United States Code, to improve the benefits provided for survivors of deceased members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. FEINGOLD:

S. 122. A bill to abolish the death penalty under Federal law; to the Committee on the Judiciary.

By Mr. FEINGOLD:

S. 123. A bill to amend part D of title XVIII of the Social Security Act to provide for negotiation of fair prices for Medicare prescription drugs; to the Committee on Finance.

By Mr. FEINGOLD:

S. 124. A bill to amend title XVIII of the Social Security Act to repeal the MA Regional Plan Stabilization Fund; to the Committee on Finance.

By Mrs. BOXER (for herself, Mrs. FEINSTEIN, and Mr. DURBIN):

S. 125. A bill to designate the United States courthouse located at 501 I Street in Sacramento, California, as the "Robert T. Matsui United States Courthouse"; to the Committee on Environment and Public Works.

By Mrs. LINCOLN:

S. 126. A bill to improve the administration of the Animal and Plant Health Inspection Service, and the Department of Agriculture and for other purposes; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 127. A bill to amend chapter 81 of title 5, United States Code, to authorize the use of clinical social workers to conduct evaluations to determine work-related emotional and psychological impairments; to the Committee on Homeland Security and Governmental Affairs.

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

S. 128. A bill to designate certain public land in Humboldt, Del Norte, Mendocino, Lake, and Sonoma Counties in the State of California as wilderness, to designate certain segments of the Black Butte River in Mendocino County, California as a wild or scenic river, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. TALENT:

S. 129. A bill to amend title 23, United States Code, to provide for HOV facilities; to the Committee on Environment and Public Works.

By Mr. HAGEL (for himself and Mr. NELSON of Nebraska):

S. 130. A bill to authorize an additional district judgeship for the District of Nebraska; to the Committee on the Judiciary.

By Mr. INHOFE (for himself and Mr. VOINOVICH):

S. 131. A bill to amend the Clean Air Act to reduce air pollution through expansion of cap and trade programs, to provide an alternative methodology for determining units subject to the cap and trade program; to the Committee on Environment and Public Works.

By Mr. SMITH (for himself and Mrs. LINCOLN):

S. 132. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for premium on mortgage insurance; to the Committee on Finance.

By Mr. TALENT (for himself and Mr. FEINGOLD):

S. 133. A bill to amend section 302 of the PROTECT Act to modify the standards for the issuance of alerts through the AMBER Alert communications network; to the Committee on the Judiciary.

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

S. 134. A bill to adjust the boundary of Redwood National Park in the State of California; to the Committee on Energy and Natural Resources.

By Mr. BURNS (for himself, Mr. JOHNSTON, Mr. THOMAS, Mr. BINGAMAN, Mr. THUNE, and Mr. DORIAN):

S. 135. A bill to amend the Agricultural Marketing Act of 1946 to expand county of origin labeling for certain covered commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. FEINSTEIN:

S. 136. A bill to authorize the Secretary of the Interior to provide supplemental funding and other necessary assistance to assist certain local school districts in the State of California in providing education services for students attending schools located within Yosemite National Park, to authorize the Secretary of the Interior to adjust the boundaries of the Golden Gare National Recreation Area; to the Committee on Energy and Natural Resources.

By Mr. KERRY:

S. 137. A bill to modify the contract consolidation program in the Small Business Act, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Mr. KERRY (for himself and Mr. BINGAMAN):

S. 138. A bill to make improvements to the microloan program administered by the Small Business Administration; to the Committee on Small Business and Entrepreneurship.

By Mr. KERRY:

S. 139. A bill to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a vocational rehabilitation program, to the Committee on Small Business and Entrepreneurship.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 140. A bill to provide for a domestic defense fund to improve the Nation’s homeland protection and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

By Mr. LEVIN (for himself and Mr. JEFFORDS):

S. 141. A bill to amend part A of title IV of the Social Security Act to allow up to 24 months of vocational training to be counted as a work activity under the temporary assistance to needy families program; to the Committee on Finance.

By Mr. SCHUMER:

S. 142. A bill for the relief of Alemseged Mussie Tesfamical; to the Committee on the Judiciary.

By Mr. DAYTON:

S. 143. A bill to ensure that Members of Congress do not receive better prescription drug benefits than Medicare beneficiaries; to the Committee on Homeland Security and Governmental Affairs.

By Mr. KOHL (for himself and Mr. CORZINE):

S. 144. A bill to change the date for regularly scheduled Federal elections and establish polling place hours; to the Committee on Rules and Administration.

By Mr. ALLARD (for himself, Mr. INHOFE, Mr. LOTT, Mr. ENZI, Mr. DE MINT, Mr. SANTORUM, Mr. CRAPO, Mr. SESSIONS, Mr. VITTER, Mr. THUNE, Mr. ALEXANDER, Mr. FRIST, Mr. TALENT, Mr. BURH, Mrs. HUTCHISON, Mr. KYL, Mrs. DOLE, Mr. MARTINEZ, Mr. ISAKSON, Mr. McCONNELL, Mr. HATCH, Mr. ROBERTS, Mr. CORNYN, Mr. STEVENS, and Mr. COBURN):

S. J. Res. 1. A joint resolution proposing an amendment to the Constitution of the United States relating to marriage; to the Committee on the Judiciary.

By Mr. CRAIG:

S. J. Res. 2. A joint resolution proposing an amendment to the Constitution of the United States relating to a balanced budget and protect Social Security surpluses; to the Committee on the Judiciary.

Submission of Concurrent and Senate Resolutions

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FRIST (for himself, Mr. ALTMAN, Mr. DOMENICI, Mr. COCHRAN, Mr. HAGEL, Mr. WARNER, Mr. BIDEN, Mr. HATCH, Mr. KENNEDY, Mr. DODD, and Mr. GRAHAM):

S. Res. 7. A resolution relating to the death of Howard S. Liebengood, former Sergeant at Arms of the Senate; considered and agreed to.

By Ms. COLLINS (for herself, Mr. FEINSTEIN, and Mr. CORZINE):

S. Res. 8. A resolution expressing the sense of the Senate regarding the maximum amount of a Federal Pell Grant; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:

S. Res. 9. A resolution expressing the sense of the Senate concerning designation of the month of November as “National Military Family Month”; to the Committee on the Judiciary.

By Mr. SCHUMER (for himself and Mr. TALENT):

S. Con. Res. 3. A concurrent resolution expressing the sense of the Congress with respect to the murder of Emmett Till; to the Committee on the Judiciary.
STATEMENTS ON INTRODUCED
BILLS AND JOINT RESOLUTIONS

By Mr. GREGG (for himself, Mr. FRIST, Mr. SESSIONS, Mr. DEWINE, Mr. ALLEN, Mr. SANTORUM, Mr. MCCONNELL, and Mr. DEMINT):

S. 3. A bill to strengthen and protect America in the war on terror; to the Committee on Finance.

Mr. ENZI. Mr. President, as reports continue to appear in the media, there can be little doubt that a critical area of homeland security, and one on which I will be focusing as Chairman of the Health, Education, Labor and Pensions Committee, is the issue of bioterrorism. It is clear that we cannot separate the need for a strong national biodefense from other aspects of emergency preparedness.

Last summer, when President Bush signed the Project BioShield Act into law, he called bioterrorism and efforts to use modern technologies against us the greatest danger of our time. The threat posed by bioterror has not gone unnoticed by terrorists and those who wish to do us harm. That is why we must continue to do everything we can to ensure our ability to respond to the use of biological weapons.

In the months to come, my Committee will be working together to develop a strategy we will need to provide for a strong national biodefense. We will be exploring a number of options in that effort, like providing incentives to increase private sector participation in the development of bioterror countermeasures and biopreparedness tools. We will also be examining ways to strengthen our domestic vaccine industry and increase the overall readiness of our public health system.

While I commend its intent, I declined to cosponsor S. 3, the Republican leadership bioterrorism bill introduced today. I look forward to developing bipartisan legislation to strengthen our national biodefense system in our Committee. Senator BURS, who will be heading the Subcommittee on Bioterrorism and Public Health Preparedness, will be an important part of that effort. I am also looking forward to the input of my fellow Committee members, including Senators KENNEDY, GREGG and HATCH, as well as Senator Lieberman, who while not a member of my Committee, has made this a priority of his work in the Congress and put a great deal of thought and effort into the area. In the coming weeks and months, I will also be convening a number of discussions with critical stakeholders and experts as we develop our legislation.

Together, I am confident we can build on the work Congress and President Bush began with the Project BioShield legislation and do what is necessary to ensure that we are prepared as we possibly can be for the ever-present and constantly changing threat of bioterrorism.

By Mr. ENZI (for himself, Mr. FRIST, and Mr. MCCONNELL):

S. 9. A bill to improve American competitiveness in the global economy by improving and strengthening Federal education and training programs, and for other purposes; to the Committee on Finance.

Mr. ENZI. Mr. President, last week we had an opportunity to be a part of a truly historic event. As we gathered together on the west front of the Capitol, a huge crowd joined us along the Mall and down Pennsylvania Avenue to witness the inauguration of President Bush. It was a great moment for America as the President took his oath of office. Later, in what was one of the best inaugural speeches I have ever heard, he outlined his vision for the future and the theme for his second term.

It filled my heart with pride to hear him speak about freedom and the role America would continue to play in helping to bring that light to bear on the darkest regions of the world. As he spoke, I was pleased to hear him also renew, his commitment to our Nation’s education system and to bringing the highest standards to our schools. The President made it clear that such an important part of making sure that every American has a stake in our future as a nation. Without it, the American dream we have shared for many years may be reduced to a nightmare for future generations.

Clearly, we can’t allow that to happen. That is why I am pleased to join, with the distinguished majority leader, Mr. FRIST, and my friend and colleague, from Tennessee, Senator ALEXANDER, in introducing legislation we have written to address that need and ensure a brighter future for our children. Among the goals our legislation seeks to address is the importance of strengthening our public education system, ensuring parents are involved in the process and, above all, giving our teachers the support they need to obtain the results we must have if our children are to have the best chance to succeed in life.

The legislation I am introducing today continues the work we began with the passage of the No Child Left Behind Act. That bipartisan legislation made clear that we had high expectations for all public school children. It made clear that expectations were met the center of our Federal education policy. That policy has had good results. Children all over the country, including minority children, are improving their reading skills. Their math scores are getting better. In another 1 year, when science is included in the State assessments, I believe we will see that students are doing better in that subject, too. Thanks to the passage of the No Child Left Behind Act that we all had a hand in, we are continuing to see more and more positive results in our schools.

Although our record of success is impressive, there is still room for more improvement. According to the most recent National Assessment of Education Progress, over 25 percent of twelfth grade students could not read at grade level. Only two-thirds of students entering the ninth grade are expected to complete high school within 4 years. That is a dire forecast for our future, but it need not be so if we stick to the goals we have set and work to achieve them.

We want to make sure we continue to set high expectations of what all students can achieve, regardless of their background. This needs to be a common theme in all our Federal education programs. All students can learn and every child can be a star pupil. It is not just a slogan. It is a philosophy that our teachers need to put into practice every day in the classroom. It must then be echoed by every student’s parents each evening at home at the dinner table.

We need to make sure Federal programs emphasize accountability, but we also need to make sure we do it in a way that makes some Federal programs designed to serve the same population of students have different requirements. We can help our teachers serve their students better by reducing the amount of time they spend outside the classroom on activities that don’t help our children learn. Federal program requirements should not work against the goal we have set of improving student achievement.

It is important to provide flexibility to the States so they can manage Federal program dollars and address their unique needs in the most effective manner possible. We need to let leaders at the State and local level make the important decisions about this country’s education, because they are at the level closest to the people—and closest to the classroom where we must continue to get good results from our efforts.

The needs of rural schools must also continue to be addressed. Schools in rural States like Wyoming have unique needs and serve smaller populations. They can’t be administered like the large schools of the big cities in the East. One-size-fits-all policies that may work in large population centers are all too often doomed to fail in the smaller towns and cities of the West.

Although funding will be a key in the effort to address these issues, the Federal Government provides only a fraction of education spending in this country. For K-12 education, the Federal investment is still around 8 percent. The rest of the money comes from States and local districts. We need to trust these educators and administrators to work on behalf of the children in their charge. We must ensure they have the tools they need to see their students help all children in their area succeed.

We also want to support lifelong learning opportunities for students at every stage in their life. Education is
changing; the way we approach learning has to change as well. Federal programs should reflect these changes and help our students adapt to them. Last year, more than 70 percent of college students were considered "nontraditional." Our education system needs to address adults, children of working parents, as well as children who take the more "traditional" track in education.

We want to create a strong link between education and the workforce. Businesses are creating and filling good jobs with good candidates, and we want to make sure we are filling those jobs with American workers.

In our technology-driven economy, school can never be out. It is estimated that 60 percent of tomorrow's jobs will require skills that only 20 percent of today's workers possess. It is also estimated that the average worker leaving college today will switch careers 14 times in their life, and 10 of those careers haven't been invented yet.

To address those needs, we need a system in place that can support a lifetime of education, training, and retraining. As tomorrow's workers change careers, they will need to learn new skills, or to apply their current skills in new ways. Our postsecondary institutions will play a critical role in supporting these students, as they do now through a number of Federal education programs.

High school dropouts are the most at-risk school population in the workforce. We must look at Federal efforts to reform high schools to make sure we are keeping students in school. We need to make sure that students are leaving high school with a diploma, a quality education, and the strong foundation of reading, writing, math and science skills that will help them succeed in the workforce. We must also reach out to those who do not have high school diplomas to give them an opportunity to increase the level of their skills so that they, too, have a chance to succeed in life. We can do that by increasing their awareness of and involvement in lifetime of learning programs.

In this bill, we have also included language to reauthorize the Workforce Investment Act. That will help an estimated 900,000 unemployed workers each year get back to work and provide American workers with the skills they will need to compete for and win the jobs of tomorrow and keep them.

By Mr. LEVIN (for himself, Mr. REID, Ms. MIKULSKI, Ms. STABENOW, Mr. INOUYE, Mr. DORGAN, Mr. LAUTENBERG, Mr. LEAHY, Mr. SALAZAR, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. BINGAMAN, Mrs. FEINSTEIN, Mr. DURBIN, Mr. KENNEDY, Mr. CORZINE, Mr. PRIYOR, Mr. NELSON of Nebraska, Mr. REED, Mr. SCHUMER, and Mr. DAYTON):
S. 11. A bill to amend title 10, United States Code, to ensure that the strength of our Armed Forces and the protections and benefits for members of the Armed Forces and their families are adequate for keeping the commitment of the people of the United States to support their service members, and for other purposes; to the Committee on Finance.

Mr. LEVIN. Mr. President, I am honored to introduce the Standing with Our Troops Act of 2005. This bill addresses the needs of the Soldiers, Sailors, Airmen, and Marines who have responded so bravely to the call of our Nation. We owe it to them and their families to ensure that they are properly trained and equipped for the hazardous duties they are performing, that they are fairly compensated for their service, and that they receive their pay in the correct amount, on time.

We start with the recognition that we have cut our troop strength too far to sustain current military operations. This bill would authorize increases of up to 40,000 additional active duty Soldiers and Marines over the next two years. The bill authorizes an increase in the active duty Army end strength by up to 20,000 Soldiers in 2006 and an additional 10,000 in 2007, and it authorizes increases of up to 10,000 active duty end strength by up to 5,000 Marines in 2006 and an additional 5,000 Marines in 2007.

The Department of Defense currently reports numbers of service members killed or seriously wounded in action during ongoing combat operations in Iraq and Afghanistan. This bill would require a formal monthly report that includes the numbers of Soldiers, Sailors, Airmen and Marines who are killed in action; killed as a result of non-combat activities; wounded in action; killed as a result of self-inflicted wounds or suicide; wounded in action, when the injuries prevent the service member from returning to duty within 72 hours; wounded in action when the service member returns to duty within 72 hours, insofar as this data is currently maintained; and the total number of service personnel evacuated from theater for medical reasons. Because the data on evacuations are expeditiously and fairly awarded to deserving personnel, this bill would establish an Advisory Panel on Military Awards and Decorations to review the policies and practices of each of the Services for awarding medals and medals awards and to report to Congress. This Panel would compare the different Service policies and practices for decorating its military personnel, and make a recommendation as to whether individual service practices should be continued or a single standard adopted that applies to all Services; recommend measures that can be taken to ensure that service members serving in combat are at least as likely to receive medals as those that are not exposed to combat; and enlist personnel are just as likely as officers to be decorated for their service.

This bill would create an Office of Mobilization Planning and Preparedness within the National Security Council to ensure that all of our national resources are assembled and organized to respond to a national security emergency. National resources include our military, labor, transportation, industry and financial resources. We know that current military operations are wearing out military equipment faster than we are replacing it. To address this, this bill would require the Secretary of Defense to report to Congress on the needs of our military forces for reconstituting stocks of equipment and material damaged, destroyed, worn out in Operation Iraqi Freedom and Operation Enduring Freedom. The report will include the needs of each military service, including the reserve components, for repair and replacement of equipment, and authorizes appropriation of $8.5 billion for the Army and $2.1 billion for the Marine Corps for repair, refurbishment, and replacement of equipment used in OIF and OEF.

The Government Accountability Office (GAO) found, and I agree, that the Department of Defense’s mobilization and deployment policies were implemented in a piecemeal fashion not linked to a strategic framework. We owe it to our service men and women to have clear policies regarding lengths of deployments. The Department of Defense must clearly communicate these policies and other deployment related information to service members and their families. This bill would require the Secretary of Defense to report to Congress on DoD policies on lengths of deployment, rest periods and on the use of stop-loss to keep military personnel in the service beyond their service commitments.
In two separate reports, the GAO has found that more than 90 percent mobilized reserve component personnel experienced pay problems. The GAO found that “These pay problems often had a profound adverse impact on individuals and their families.” This bill would require the designation of a senior official to ensure implementation of GAO recommendations to correct these pay problems.

Representation of our reserve component personnel at the highest levels in the Department of Defense will help keep pace with the increased role of our Guard and Reserve personnel. Accordingly, this bill creates a new position, a Deputy Under Secretary of Defense for Reserve Affairs, to speak for the Reserve Components.

This bill would give tax relief to mobilized service members and employers who make up for pay lost to service members who are ordered to active duty. It would amend the Internal Revenue Code to authorize activated National Guard and Reserve personnel to make penalty free withdrawals from qualified retirement plans; allow employers a tax deduction for making up the difference between military pay and civilian incomes of mobilized reservists; and authorize a tax credit to small business employers who continue to compensate members of the Ready Reserve ordered to active duty and for costs of hiring a replacement employee.

We know that the military pay of about a third of our mobilized National Guard and Reserve personnel is less than the pay they received from their civilian jobs. Many private employers already pay a wage differential to those who lose money, and we will encourage more to do so with the tax incentives I have just described. The biggest employer of our Guard and Reserve personnel is the Federal Government. I urge the Federal Government to do as much as the private employers do for those who lose money while serving our Nation. This bill would require Federal Agencies to make up the pay differences for Federal employees who are ordered to active duty.

Studies have shown that 40 percent of our junior enlisted members in the reserve components have no health insurance except when they are on active duty and provide critical care to the military’s TRICARE health care program for all members of the Selected Reserve and their families. They would pay a subsidized premium similar to the premium charged Federal Employees for health care. This will help to ensure that members of the National Guard and Reserves are medically ready when called to serve in the military.

When a Soldier, Sailor, Airmen or Marine dies on active duty, his survivors currently receive a death gratuity of just over $12,000. This is simply not enough. This bill would raise the death gratuity to $100,000, and would allow survivors to receive Dependency and Indemnity Compensation from the VA as well as a Survivor Benefit Plan annuity from the Department of Defense.

United States taxpayers have borne a disproportionate share of the cost for the reconstruction of Iraq. The support of the international community for this reconstruction is critical. This bill would require the President to report to Congress on U.S., Iraqi, and foreign contributions to Iraq’s reconstruction before any new U.S. funds are appropriated. The bill would also require any U.S. funds for reconstruction in Iraq be in the form of a collateralized loan which the U.S. would guarantee unless the President reports to Congress that it is in the U.S. national security interest to provide the funds other than in the form of a loan.

I again want to compliment the service of the young men and women serving in Iraq who are working to make history and feel the magnificence and unselfish service to our Nation. I trust that the measures included in this bill will serve as a token of the Nation’s sincere appreciation for their great sacrifices and service.

S. 11
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 “Standing With Our Troops Act of 2005”.

DIVISION A—FULFILLMENT OF OBLIGATIONS TO THE MEMBERS OF THE ARMED FORCES

TITLE I—STRENGTHS OF THE ARMY AND MARINE CORPS ACTIVE FORCES

SEC. 101. FINDINGS.
Congress makes the following findings:
(1) While the United States Armed Forces remain the preeminent force in the world, the Defense Science Board, in a study carried out in the summer of 2004, found that “When we match the existing and projected Force Structure with the current and projected need for stabilization forces we see an enduring shortfall in both total numbers of people and their ability to sustain the continuity of stabilization efforts.”
(2) Between 1989 and 2004, the military personnel end strength of the Army has been reduced by more than 34 percent, and the Department of the Army’s civilian workforce has been reduced by more than 45 percent, while the mission rate of the Army has increased by more than 100 percent.
(3) Because of the personnel reductions, the Army National Guard and the Army Reserve are being called to active duty to meet Army mission requirements that the active-duty force of the Army is no longer large enough to meet alone. Army National Guard and Army Reserve units have provided up to 40 percent of the military personnel engaged in Operation Iraqi Freedom while they have also been performing a dramatically increased role in homeland defense and continuing to respond to natural disasters, civil disturbances, and military contingencies. As a result, the reserve components of the Army have been pushed to the breaking point.

SEC. 102. ARMED FORCES.
(a) STRENGTH FOR FISCAL YEAR 2006.—Effective on October 1, 2005, section 691(b)(1) of title 10, United States Code, is amended by striking “$522,400” and inserting “$522,400”.
(b) STRENGTH FOR FISCAL YEARS AFTER FISCAL YEAR 2006.—Effective on October 1, 2006, section 691(b)(3) of title 10, United States Code, is amended by striking “$522,400” and inserting “$522,400”.

SEC. 103. MARINE CORPS.
(a) STRENGTH FOR FISCAL YEAR 2006.—Effective on October 1, 2005, section 691(b)(1) of title 10, United States Code, is amended by striking “$183,000” and inserting “$183,000”.
(b) STRENGTH FOR FISCAL YEARS AFTER FISCAL YEAR 2006.—Effective on October 1, 2006, section 691(b)(3) of title 10, United States Code, is amended by striking “$183,000” and inserting “$188,000”.

TITLE II—FULL RECOGNITION OF SACRIFICE AND VALOR OF UNITED STATES SERVICEMEMBERS

Subtitle A—Findings

SEC. 201. FINDINGS.
Congress makes the following findings:
(1) On November 21, 2004, the Columbia Broadcasting System television program 60 Minutes reported that the staff of that program had received from the Department of Defense a letter containing the assertion that NGOs are at risk of being found guilty of ‘‘non-battle’’ injuries and diseases that have been evacuated from Iraq.
(2) This report was a rare disclosure by the Department of Defense, as it is the policy of the Department of Defense not to disclose publicly the number of Armed Forces personnel that sustain non-combat injuries.

Subtitle B—Accounting for Casualties Incurred in the Prosecution of the Global War on Terrorism

SEC. 211. MONTHLY ACCOUNTING.
Not later than five days after the end of each month, the Secretary of Defense shall publish, for such month for each operation described in section 212, a full accounting of the casualties among the members of the Armed Forces that were incurred in such operation during that month.

SEC. 212. OPERATIONS COVERED.
The operations referred to in section 212 are as follows:
(1) Operation Iraqi Freedom.
(2) Operation Enduring Freedom.
(3) Each other operation undertaken by the Armed Forces in the prosecution of the Global War on Terrorism.

SEC. 213. COMPREHENSIVE CONTENT OF ACCOUNTING.
For the purpose of providing a full and complete accounting of casualties covered by a report under section 212, the Secretary of Defense shall include in the report the number of casualties in each casualty status in accordance with section 214.

SEC. 214. CASUALTY STATUS.
(a) STATUS TYPE.—In a report under this title, each casualty among members of the Armed Forces shall be characterized by the most specific casualty status applicable to the member as follows:
(1) Killed in action.
(2) Killed in non-hostile duty.
(3) Killed, self-inflicted.
(4) Wounded in action, not returned to duty.
(5) Wounded in action, returned to duty (to the extent that data is available to support this characterization of casualty status).
(6) Evacuated for medical reasons.
(b) DEFINITIONS.—In this section:
(1) KILLED IN ACTION.—The term “killed in action”, with respect to a member of the Armed Forces, means that the member incurred one or more mortal wounds while in an action with an hostile force, whether or not the wounds are inflicted by the hostile force.
SEC. 222. COOPERATION OF FEDERAL AGENCIES.

(a) INFORMATION.—The Advisory Panel may obtain directly from the Department of Defense, the Department of Veterans Affairs, or any other department of the United States any information of such department or agency that the panel considers necessary for the panel to carry out its duties.

(b) OTHER COOPERATION.—The Secretary of Defense, the Secretary of Veterans Affairs, and any other official of the United States shall provide the Advisory Panel with full and timely cooperation requested by the panel in carrying out its duties under this section.

SEC. 223. TERMINATION.

The Advisory Panel on Military Awards and Decorations shall terminate 30 days after the submission of the report to Congress under section 222.

TITLES—MILITARY EQUIPMENT AND MATERIEL

SEC. 301. FINDINGS.

Congress makes the following findings:

(1) United States military personnel serving in Operations Iraqi Freedom have experienced significant shortages of critical equipment, such as body armor, aircraft survivability equipment, and personal equipment, including up-armored High Mobility Multipurpose Wheeled Vehicles. In many cases the shortages have lasted several months. For example, the individual body armor needed for protecting every member of the Armed Forces and Department of Defense civilians in Iraq was not produced and fielded until February 2004, 11 months after Operation Iraqi Freedom was launched. Shortages of armor for Army trucks still existed as of the beginning of 2005.

(2) Operation Iraqi Freedom and Operation Enduring Freedom have taken a substantial toll on military equipment of the Armed Forces. The commanding general of the Army Materiel Command in 2004 stated that the Army is wearing out its equipment in Iraq and Afghanistan at a rate that could be up to 10 times faster than the rate at which it wears out its equipment elsewhere during peace time, and there are no significant reserve stocks of that equipment remaining.

(3) It is a solemn obligation of the United States Government to ensure that, whenever the Armed Forces are called into battle, the military personnel fighting or supporting the battle are provided with the safest, most effective technology and equipment.

SEC. 302. MOBILIZATION PLANNING AND PREPAREDNESS

(a) DIRECTOR OF MOBILIZATION PLANNING AND PREPAREDNESS.—Title I of the National Security Act of 1947 (50 U.S.C. 402 et seq.) is amended by striking section 107 and inserting the following new sections:

“SEC. 107. DEFINITIONS.—In this section:

‘(1) The term ‘Director’ means the Director of Mobilization Planning and Preparedness referred to in subsection (b)(1), except where the context clearly indicates otherwise.

‘(2) The term ‘national security emergency’ means any occurrence, including a
natural disaster, a military or terrorist attack against the territory of the United States, a military operation carried out by the Armed Forces abroad, a technological emergency, and financial emergency, that either seriously degrades or threatens the security of the United States or the Armed Forces.

(3) The term 'mobilization' means the act of assembling and organizing national resources, including military personnel and equipment, labor, transportation systems, industrial and financial resources, to support national objectives of the United States in time of a national security emergency.

(4) The term 'mobilization planning and preparedness' means the process of planning and preparing for a mobilization for a national security emergency, including the identification of functions that would have to be performed during a national security emergency, development of plans for performing such functions, development of the capability to execute such plans, and development of policies that maximize the speed and efficiency with which such plans can be executed during a national security emergency.

(b) POSITION OF DIRECTOR.—

(1) ESTABLISHMENT.—There is a Director of Mobilization Planning and Preparedness on the staff of the National Security Council.

(2) APPOINTMENT.—The Director is appointed by the President to the President for National Security Affairs.

(c) RELATIONSHIP TO NATIONAL SECURITY ADVISOR.—The Director reports directly to the Assistant to the President for National Security Affairs.

(d) APPOINTMENT.—

(1) PRINCIPAL DUTY.—The Director is the principal adviser to the Assistant to the President for National Security Affairs on matters of mobilization planning and preparedness.

(2) SPECIFIC DUTIES.—The duties of the Director include the following:

(A) Identify which governmental and private sector functions must be performed on a sustained basis during a national security emergency.

(B) Develop plans for the sustained performance of the identified functions.

(C) Provide guidance on the development of the capability to execute the plans.

(D) Recommend policies for the maximization of the speed and efficiency with which the plans can be executed during a national security emergency.

(E) Issue mobilization planning and policy guidance regarding involvement of the National Guard in 2 or more national security emergency operations concurrently.

(F) Administer quarterly exercises simulating mobilization for various types of national security emergencies, including the following:

(i) Major military operation carried out in and around 1 or more foreign countries.

(ii) An occupation and reconstruction mission.

(iii) An terrorist attack within the United States.

(iv) A natural disaster within the United States.

(v) A major humanitarian crisis in 1 or more foreign countries.

(vi) A minor military intervention in a foreign country.

(G) RELATED DUTIES.—

(A) MOBILIZATION PLANNING AND PREPAREDNESS POLICY COORDINATING COMMITTEE.—The Director serves on the Mobilization Planning and Preparedness Policy Coordinating Committee as provided in section 107A.

(B) DEPARTMENT OF DEFENSE PRIMARY LOCATION OF INDUSTRIAL RESOURCES TASK FORCE.—The Department of Defense serves as a member of the Presidential Primary Location of Industrial Resources Task Force of the Department of Defense.

(C) OFFICE OF MOBILIZATION PLANNING AND PREPAREDNESS.—

(1) ESTABLISHMENT.—There is an Office of Mobilization Planning and Preparedness within the National Security Council. The Director is the head of the office.

(2) COMPOSITION.—The Office of Mobilization Planning and Preparedness is composed of the following personnel:

(A) Thirty employees appointed by the Assistant to the President for National Security Affairs.

(B) An employee of the Department of Defense, who shall be detailed to the Office by the Secretary of Defense for Acquisition, Technology, and Logistics to serve as liaison between the Department of Defense and the Director to ensure that comprehensive and accurate information on the needs of the Armed Forces for equipment and materiel in a national security emergency are timely communicated to the Director.

(D) NEW AGENCY WITH NATIONAL COUNTERTERRORISM CENTER.—

(1) LIAISON OFFICER.—The Director shall detail an employee of the Office to the National Counterterrorism Center to serve as a liaison officer between the Director of Mobilization Planning and Preparedness and the Director of the National Counterterrorism Center. The Director shall ensure that liaison officer is able to participate in the Center's collaboration on counterterrorism-related information and issues necessary to effective mobilization planning and preparedness.

(2) RESOLUTION OF DIRECTOR OF NATIONAL COUNTERTERRORISM CENTER.—The Director of the National Counterterrorism Center shall ensure that the liaison officer is accredited with the Center as are necessary to ensure that the collaboration between the Director of the National Counterterrorism Center and the Director of Mobilization Planning and Preparedness on counterterrorism-related information and issues is effective.

(F) ANNUAL REPORT.—

(1) REQUIREMENT FOR REPORT.—The President, acting through the Director, shall submit to Congress each year a report on mobilization planning and preparedness.

(2) CONTENT.—The annual report under this subsection shall include the following information:

(A) Funding needs for mobilization planning and preparedness.

(B) An assessment of the state of mobilization planning and preparedness in the United States.

(C) Any recommended policies on mobilization planning and preparedness that the President, in consultation with the Assistant to the President for National Security Affairs, determines appropriate.

“MOBILIZATION PLANNING AND PREPAREDNESS POLICY COORDINATING COMMITTEE.

“SEC. 107A. (a) MOBILIZATION PLANNING AND PREPAREDNESS DEFINED.—In this section, the term ‘mobilization planning and preparedness’ means the meaning given that term in section 107A.

(b) ESTABLISHMENT.—There is in the executive branch an interagency committee known as the ’Mobilization Planning and Preparedness Policy Coordinating Committee’.

(c) COMPOSITION.—The Committee shall be composed of the following members:

(i) The Assistant to the President for National Security Affairs.

(ii) The Director Planning and Preparedness of the National Security Council, who shall chair the committee.

“(b) DEPARTMENT OF DEFENSE PRIMARY LOCATION OF INDUSTRIAL RESOURCES TASK FORCE.—The Department of Defense serves as a member of the Presidential Primary Location of Industrial Resources Task Force of the Department of Defense.

“(c) OFFICE OF MOBILIZATION PLANNING AND PREPAREDNESS.—

(1) ESTABLISHMENT.—There is an Office of Mobilization Planning and Preparedness within the National Security Council. The Director is the head of the office.

(2) COMPOSITION.—The Office of Mobilization Planning and Preparedness is composed of the following personnel:

(A) Thirty employees appointed by the Assistant to the President for National Security Affairs.

(B) An employee of the Department of Defense, who shall be detailed to the Office by the Secretary of Defense for Acquisition, Technology, and Logistics to serve as liaison between the Department of Defense and the Director to ensure that comprehensive and accurate information on the needs of the Armed Forces for equipment and materiel in a national security emergency are timely communicated to the Director.

(D) NEW AGENCY WITH NATIONAL COUNTERTERRORISM CENTER.—

(1) LIAISON OFFICER.—The Director shall detail an employee of the Office to the National Counterterrorism Center to serve as a liaison officer between the Director of Mobilization Planning and Preparedness and the Director of the National Counterterrorism Center. The Director shall ensure that the liaison officer is able to participate in the Center's collaboration on counterterrorism-related information and issues necessary to effective mobilization planning and preparedness.

(2) RESOLUTION OF DIRECTOR OF NATIONAL COUNTERTERRORISM CENTER.—The Director of the National Counterterrorism Center shall ensure that the liaison officer is accredited with the Center as are necessary to ensure that the collaboration between the Director of the National Counterterrorism Center and the Director of Mobilization Planning and Preparedness on counterterrorism-related information and issues is effective.

(F) ANNUAL REPORT.—

(1) REQUIREMENT FOR REPORT.—The President, acting through the Director, shall submit to Congress each year a report on mobilization planning and preparedness.

(2) CONTENT.—The annual report under this subsection shall include the following information:

(A) Funding needs for mobilization planning and preparedness.

(B) An assessment of the state of mobilization planning and preparedness in the United States.

(C) Any recommended policies on mobilization planning and preparedness that the President, in consultation with the Assistant to the President for National Security Affairs, determines appropriate.

“MOBILIZATION PLANNING AND PREPAREDNESS POLICY COORDINATING COMMITTEE.

“SEC. 107A. (a) MOBILIZATION PLANNING AND PREPAREDNESS DEFINED.—In this section, the term ‘mobilization planning and preparedness’ means the meaning given that term in section 107A.

(b) ESTABLISHMENT.—There is in the executive branch an interagency committee known as the ’Mobilization Planning and Preparedness Policy Coordinating Committee’.

(c) COMPOSITION.—The Committee shall be composed of the following members:

(i) The Assistant to the President for National Security Affairs.

(ii) The Director Planning and Preparedness of the National Security Council, who shall chair the committee.


(3) The Under Secretary of State for Economic, Business, and Agricultural Affairs.

(4) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

(5) The Associate Attorney General.

(6) The Assistant Secretary of the Interior for Land and Minerals Management.

(7) The Under Secretary of Commerce for Industry and Security.

(8) The Deputy Secretary of Labor.

(9) The Assistant Secretary of Health and Human Services for Public Health Emergency Preparedness.

(10) The Under Secretary for Transportation for Policy.


(12) One member designated by the Assistant to the President for National Security Affairs.

(13) One member designated by the Director of National Intelligence.

(d) DUTIES.—The Committee has the following duties:

(1) To review, at least once each year, the mobilization planning and preparedness policies of the United States.

(2) To make any recommendations for action to improve mobilization planning and preparedness that the Committee determines appropriate.

(3) To participate in the exercises conducted by the Director of Mobilization Planning and Preparedness of the Armed Forces under section 510(b)(2)(F).”.

(b) CEREMONIAL AMENDMENT.—The table of contents in the first section of the National Security Act of 1947 is amended by striking the item relating to section 107 and inserting the following new items:

“Sec. 107. Director of Mobilization Planning and Preparedness.

“Sec. 107A. Mobilization Planning and Preparedness Policy Coordinating Committee.

“Sec. 303. REPORT ON RECONSTITUTION NEEDS OF THE ARMED FORCES.

(a) REPORT REQUIRED.—

(1) REQUIREMENT FOR REPORT.—Not later than March 1, 2005, the Secretary of Defense shall submit to the congressional defense committees a report on the needs of the Armed Forces for reconstituting its stocks of military materiel and critical equipment in view of the attrition of military equipment and other materiel experienced by the Armed Forces in Operation Iraqi Freedom and Operation Enduring Freedom.

(2) CONSULTATION.—The Secretary shall consult with the Chief of Staff of the Army, the Chief of Staff of the Air Force, the Chief of Naval Operations, the Commandant of the Marine Corps, and the Inspector General of each of the Armed Forces in preparing the report under this section.

(b) CONTENT.—The report shall include an assessment of each of the following matters:

(1) The extent of the damage and destruction of military equipment and other materiel in Operation Iraqi Freedom and Operation Enduring Freedom.

(2) The amount of such equipment, if any, that has become ineffective or obsolete by age or other causes.

(3) The needs of each of the Armed Forces, including the reserve components as well as the regular components, for repair and replacement of equipment.

(4) The total cost of reconstituting the stocks of military equipment and other materiel of the Armed Forces to meet the needs of the Armed Forces.

(5) The time needed to reconstitute such stocks to meet those needs.
such term in section 101(a)(16) of title 10, appropriated under this section shall remain appropriated pursuant to an authorization of appropriation authorized to be appropriated for fiscal year 2005 for the repair, refurbishment, and replacement of equipment used by the Marine Corps in Operation Iraqi Freedom or Operation Enduring Freedom, as follows:

(1) PROCUREMENT.—For procurement, $2,500,000,000.

(b) MARINE CORPS.—Fund are hereby authorized to be appropriated for fiscal year 2005 for the repair, refurbishment, and replacement of equipment used by the Marine Corps in Operation Iraqi Freedom or Operation Enduring Freedom, as follows:

(1) PROCUREMENT.—For procurement, $1,500,000,000.

(c) AVAILABILITY THROUGH FISCAL YEAR 2006.—Amounts authorized to be appropriated under this section shall remain available until September 30, 2006.

SEC. 402. SENSE OF CONGRESS ON TWO-YEAR LIMIT ON MOBILIZATION.

It is the sense of Congress that the Secretary of Defense should continue the existing Department of Defense policy of limiting to a total of 24 months the period for which members of the reserve components serve on active duty to which called or ordered in support of a contingency operation.

SEC. 403. COMMUNICATION OF DEPLOYMENT PERIODS TO RESERVES IN OPERATION IRAQI FREEDOM.

(a) REPORT OF DEPARTMENT OF DEFENSE POLICIES.—

(1) REQUIREMENT FOR REPORT.—Not later than March 1, 2005, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on—

(A) Department of Defense policies governing the length of mobilization and deployment periods applicable to members of reserve components of the Armed Forces in connection with Operation Iraqi Freedom, its operations, and contingency operations; and

(B) Department of Defense and reserve component personnel and their families regarding the lengths of the mobilization deployment periods.

(2) Department of Defense stop-loss policies.

(b) CONSULTATION REQUIREMENT.—In preparing the report, the Secretary shall consult with the Chairman and other members of the Joint Chiefs of Staff and with such other officials as the Secretary considers appropriate.

(c) CONTENT OF REPORT.—The report under this section shall contain a discussion of the matters described in subsection (a)(1), including a discussion of the following matters:

(A) The process by which the Department of Defense determined its policy regarding the length of mobilization and deployment periods.

(B) The reason that an adequate troop deployment policy was not in place before Operation Iraqi Freedom began.

(C) A comparison of the policies during Operation Iraqi Freedom with Department of Defense policies that applied to previous contingency operations.

(D) The timeliness of the process for notifying reserve component units for activation.

(E) The process for communicating with activated reserve component members and their families about mobilization schedules.

(F) The justification for delaying mobilization of reserve component families that have been notified of the anticipated mobilization schedule.

(G) The justification for current stop-loss policies, together with a statement of the period for which those policies are to remain in effect and the conditions under which management of personnel under those policies would terminate.

(H) The family support programs provided by the National Guard and other reserve components for families of activated Reserve forces.

(2) Equitable to the men and women of the Armed Forces deployed overseas requires that the Department of Defense—

(A) have clear policies regarding lengths of deployment periods for the National Guard and the other reserve components.

(B) communicate these policies and other deployment-related information to them and their families.

(t) LESSONS LEARNED, INCLUDING DEFICIENCIES IDENTIFIED; AND

(2) Timely and long-term corrective actions to address the identified deficiencies.

(3) The report under this subsection shall be submitted in an unclassified form, but may include a classified annex.

TITLE V—TIMELY COMPENSATION

SEC. 501. FINDINGS.

The Congress makes the following findings:

(1) In November 2003, the General Accounting Office reported in connection with a study conducted by that office, that among Army National Guard soldiers “460 of the 481 soldiers from our 6 case study units had at least 1 pay problem associated with their mobilization. These pay problems severely constrain the Army’s and the Department of Defense’s (DOD) ability to provide a most basic service to the Army of whom were risking their lives in combat.”.

(2) In August 2004, a second study by that office (by then renamed the Government Accountability Office) reported that among Army Reserve soldiers “332 of 348 soldiers (95 per cent) we audited at 8 case study units that were mobilized, deployed, and demobilized at some time during the time from August 2002 through January 2004 had at least 1 pay problem.”.

(3) The August 2004 report concluded that “These pay problems often had a profound adverse impact on individual soldiers and their families. For example, soldiers were required to spend some time during the 18-month period from November 2003; and

SEC. 502. CORRECTION OF MILITARY PAY PROBLEMS FOR ACTIVATED RESERVE COMPONENT PERSONNEL.

The Secretary of the Army shall designate a senior level official of the Department of the Army to implement the following:

(1) The recommendations for executive action that are set forth in the report of the Comptroller General of the United States entitled “Military Pay, Army National Guard Personnel Mobilized to Active Duty Experienced Significant Pay Problems”, dated November 2003; and


SEC. 503. SUPERVISION BY COMPTROLLER OF DEPARTMENT OF DEFENSE.

The official designated under section 502 shall report directly to, and be subject to the direction of, the Under Secretary of Defense for Comptroller regarding the performance of the duties that the official is designated to carry out under such section.

SEC. 504. TERMINATION OF REQUIREMENT.

The designation under section 502 shall terminate upon the submission of a certification of the Under Secretary of Defense (Comptroller) to Congress that all recommendations referred to in such section have been implemented.

TITLE VI—IMPROVED REPRESENTATION OF RESERVE PERSONNEL INTERESTS IN DEPARTMENT OF DEFENSE SECRETARIAT

SEC. 601. FINDINGS.

The Congress makes the following findings:

(c) FORM OF REPORT.—The report shall be submitted in unclassified form, but may include a classified annex.

SEC. 304. AUTHORIZATIONS OF APPROPRIATIONS.

(a) ARMY.—Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Army, repair, refurbishment, and replacement of equipment used by the Army in Operation Iraqi Freedom or Operation Enduring Freedom, as follows:

(1) PROCUREMENT AND MAINTENANCE.—For expenses, not otherwise provided for, for operation and maintenance, $5,000,000,000.

(2) PROCUREMENT.—For procurement, $2,500,000,000.

(b) MARINE CORPS.—Fund are hereby authorized to be appropriated for fiscal year 2005 for the repair, refurbishment, and replacement of equipment used by the Marine Corps in Operation Iraqi Freedom or Operation Enduring Freedom, as follows:

(1) PROCUREMENT AND MAINTENANCE.—For expenses, not otherwise provided for, for operation and maintenance, $5,000,000,000.

(2) PROCUREMENT.—For procurement, $1,500,000,000.

(c) AVAILABILITY THROUGH FISCAL YEAR 2006.—Amounts authorized to be appropriated under this section shall remain available until September 30, 2006.

(d) LIMITATION.—None of the funds appropriated under this section shall be used for an authorization of appropriation in this section in which may be obligated or expended until the date that is 15 days after the date on which the Secretary of Defense and the Comptroller General of the United States have submitted a report to the congressional defense committees on the specific use for which the funds are to be obligated or expended, respectively.

SEC. 305. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

In this title, the term “congressional defense committees” has the meaning given such term in section 101(a)(16) of title 10, United States Code.

TITLE IV—PERIODS OF OVERSEAS DEPLOYMENTS OF RESERVES

SEC. 401. FINDINGS.

Congress makes the following findings:

(1) The Department of Defense failed to establish an adequate troop deployment and rotation policy for Operation Iraqi Freedom until several months after the operation had begun. For several reserve component units involved in that operation before 2005, the deployed mobilization was resolved two or more times before the unit members were finally allowed to return home.

(2) Without an adequate deployment and rotation policy, the Department of Defense relied on a series of stop-gap measures to retain a sufficient number of troops to carry out the United States missions in Operation Iraqi Freedom and Operation Enduring Freedom, including—

(A) institution of a so-called “stop-loss” policy that prevents personnel from leaving their service.

(B) extensions of deployments beyond scheduled mobilization dates; and

(C) activation of members of the Individual Ready Reserve.

(3) In September 2004, the Government Accountability Office reported that “Many of DOD’s policies that affect mobilized reserve components were implemented in a piecemeal manner and were not linked within the context of a strategic framework to meet the organizational goals. . . . Without a strategic framework, OSD and the services made several changes to their personnel policies to increase the availability of the reserve components for the longer-term requirements. . . . and predictability declined for reserve component members.”.
SEC. 602. DEPUTY UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (RESERVE AFFAIRS).

(a) ESTABLISHMENT OF POSITION.—

"(1) There is a Deputy Under Secretary of Defense for Personnel and Readiness (Reserve Affairs), appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(2) The Deputy Under Secretary of Defense for Personnel and Readiness (Reserve Affairs) shall have as his principal duty the overall supervision of reserve component affairs of the Department of Defense."

(b) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after "Deputy Under Secretary of Defense for Personnel and Readiness."

the following: "Deputy Under Secretary of Defense for Personnel and Readiness (Reserve Affairs)."

SEC. 603. ELIMINATION OF POSITION OF ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS.

(a) REPEAL OF REQUIREMENT FOR POSITION.—Subsection (a) of section 136a of title 10, United States Code, is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraphs (3), (4), and (5), as paragraphs (2), (3), and (4), respectively.

(b) REDUCTION IN TOTAL NUMBER OF ASSISTANT SECRETARIES OF DEFENSE.—

(1) AUTHORIZED NUMBER.—Subsection (a) of such section is amended by striking "nine" and inserting "eight."

(2) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by striking "(9)" after "Assistant Secretaries of Defense." and inserting "(8)."

(3) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the date on which a person is first appointed as Deputy Under Secretary of Defense for Personnel and Readiness (Reserve Affairs).

DIVISION B—MILITARY FAMILY PROTECTIONS

TITLE XXI—GUARDSMEN AND RESERVISTS FINANCIAL RELIEF

SEC. 2101. FINDINGS.

Congress makes the following findings:

(1) According to a Government Accountability Office report in November 2004, "The September 11, 2001, terrorist attacks and the global war on terrorism have triggered the largest activation of National Guard forces since World War II. As of June 2004, over one-half of the National Guard’s 457,000 person strength had been activated for overseas warfighting or domestic homeland security missions in Federal and State active duty roles." In all, over 400,000 reservists have been mobilized between September 11, 2001, and the beginning of 2003.

(2) While the extent of the role of the reserve component has changed so dramatically, the Department of Defense approach to management of the reserve components has remained much the same. No senior leadership positions have been established to manage reserve component affairs more effectively in the expanded role.

SEC. 2102. PENALTY-FREE WITHDRAWALS FROM RETIREMENT PLANS FOR INDIVIDUALS CALLED TO ACTIVE DUTY FOR AT LEAST 179 DAYS.

(a) IN GENERAL.—(1) Paragraphs (2) and (3) of section 72(t) of the Internal Revenue Code of 1986 relating to tax on early distributions from qualified retirement plans are amended by adding at the end the following new subparagraph:

"(B) SPECIAL RULE FOR DISTRIBUTIONS.—Any qualified reservist distribution—"(i) an individual receiving a differential wage payment shall be treated as a payment of wages by the employer to the individual for purposes of paragraph (1), the term ‘differential wage payment’ means any payment which—"(A) is made by an employer to an individual with respect to any period during which the individual is performing service in the uniformed services while on active duty for a period of more than 30 days, and

"(B) represents all or a portion of the wages or compensation an individual would have received from the employer if the individual were performing service for the employer."

(2) EFFECTIVE DATE.—The amendment made by subsection (a) applies to distributions made after September 11, 2001.

(b) DIFERENTIAL WAGE PAYMENTS FOR RETIREMENT PLAN PURPOSES.

(a) PENSION PLANS.—(1) In general.—Section 414(u) of the Internal Revenue Code of 1986 (relating to special rules relating to veterans’ reemployment rights under USERRA) is amended by—

(2) C ONFORMING AMENDMENT.—The heading of section 414(u) is amended by striking "reemployment rights under USERRA."
following new sentence: “The term ‘compensation’ includes any differential wage payment (as defined in section 3401(i)(2)).”.

(c) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2004.

(d) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any plan or annuity contract amendment—

(A) such plan or contract shall be treated as being operated in accordance with the terms of the plan or contract during the period described in paragraph (2)(B)(i), and

(B) if the plan is as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of the Internal Revenue Code of 1986 or the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(2) AMENDMENTS TO WHICH SECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to any amendment made by this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2007.

(B) CONDITIONS.—This subsection shall not apply to any plan or annuity contract amendment unless—

(i) such plan or contract amendment is adopted before the period beginning on the date the amendment described in subparagraph (A)(i) takes effect and ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted), the plan or contract is operated as if such plan or contract amendment were in effect; and

(ii) such plan or contract amendment applies retroactively for such period.

SEC. 2105. READY RESERVE-NATIONAL GUARD EMPLOYEE CREDIT AND READY RESERVE-NATIONAL GUARD REPLACEMENT EMPLOYEE CREDIT.

(a) Ready Reserve-National GuardCredit.—

(1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related compensation and employer credits) is amended by adding at the end of such subchapter—

"SEC. 45J. READY RESERVE-NATIONAL GUARD EMPLOYEE CREDIT.

"(a) General Rule.—For purposes of section 38, in the case of an eligible taxpayer, the Ready Reserve-National Guard employee credit determined under this section for any taxable year, shall be allowed to any employer to whom theReady Reserve-National Guard employee of such taxpayer is an amount equal to 50 percent of the lesser of—

"(1) the actual compensation amount with respect to such employee for such taxable year, or

"(2) $30,000.

"(b) Definition of Actual Compensation Amount.—For purposes of this section, the term ‘actual compensation amount’ means the amount paid or incurred by an eligible taxpayer with respect to a Ready Reserve-National Guard employee on any day when the employee was absent from employment for the purpose of performing qualified active duty.

"(c) Limitations.—No credit shall be allowed with respect to any day that a Ready Reserve-National Guard employee who performs qualified active duty was not scheduled to work (for reason other than to participate in qualified active duty).

"(d) Definitions and Special Rules.—For purposes of this section—

(A) IN GENERAL.—The term ‘eligible taxpayer’ means a small business employer.

(B) Small Business Employer.—

"(1) IN GENERAL.—The term ‘small business employer’ means, with respect to any taxable year, any employer who employed an average of 50 or fewer employees on each business day during such taxable year.

"(2) Qualified Active Duty.—The term ‘qualified active duty’ means—

"(A) active duty under an order or call for a period in excess of 179 days or for an indefinite period other than the training duty specified in section 10147 of title 10, United States Code (relating to training requirements for the Ready Reserve), or section 162(a)(23) of such Code (relating to required drills and field exercises for the National Guard), in connection with which an employee is entitled to reemployment rights and other benefits or to a leave of absence from employment under chapter 43 of title 38, United States Code, and

"(B) hospitalization incident to such duty.

"(3) Compensation for ‘concurrent employment’ means any remuneration for employment, whether in cash or in kind, which is paid or incurred by a taxpayer and which is deductible from the taxpayer’s gross income under section 162(a)(1).

"(4) Ready Reserve-National Guard Employer.—‘Ready Reserve-National Guard employer’ means a taxpayer who is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in sections 10142 and 10101 of title 10, United States Code.

"(5) Certain Rules to Apply.—Rules similar to the rules of section 52 shall apply.

"(e) Termination.—This section shall not apply to any amount paid or incurred after December 31, 2005.

"(2) Credit to Be Part of General Business Credit.—Subsection (b) of section 38 of the Internal Revenue Code of 1986 (relating to the business-related compensation and employer credits) is amended by inserting “45J(a),” after “45A(a),”.

"(3) Denial of Double Benefit.—Section 280C(a) of the Internal Revenue Code of 1986 (relating to rules for employment credits) is amended by striking “(1)” and inserting “(2)”, and by adding at the end of such section—

"(b) the Ready Reserve-National Guard employee credit determined under section 45J(a).

"(3) Denial of Double Benefit.—Section 280C(a) of the Internal Revenue Code of 1986 (relating to rules for employment credits) is amended by inserting “45J(a),” after “45A(a),”.

"(4) Conforming Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 45J the following:

"Sec. 45J. Ready Reserve-National Guard employee credit.”.

(5) Effective Date.—The amendments made by this subsection shall apply to amounts paid or incurred after September 30, 2004, in taxable years ending after such date.

(b) Ready Reserve-National Guard Replacement Employee Credit.—

(1) IN GENERAL.—Paragraph (1) of section 51(d) of the Internal Revenue Code of 1986 relating to members of targeted groups is amended by striking “or” at the end of subparagraph (G), by striking the period at the end of clause (i) thereof and inserting “, or”, and by adding at the end the following new subparagraph:

"(i) a qualified replacement employee.”.

(2) Qualified Replacement Employee.—Section 51(d) of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (10), (11), and (12) as paragraphs (11), (12), and (13), respectively, and by inserting after paragraph (9) the following new paragraph:

"(10) Qualified replacement employee.—The term ‘qualified replacement employee’ means an individual who is certified by the designated local agency as being hired by an eligible taxpayer to replace a Ready Reserve-National Guard employee of such taxpayer, but only with respect to the period during which such Ready Reserve-National Guard employee participates in qualified active duty, including time spent in travel status.

"(B) General Definitions and Special Rules.—For purposes of this paragraph—

(A) Eligible Taxpayer.—The term ‘eligible taxpayer’ means a small business employer.

(B) Small Business Employer.—

"(1) IN GENERAL.—The term ‘small business employer’ means, with respect to any taxable year, any employer who employed an average of 50 or fewer employees on each business day during such taxable year.

"(2) Controlled Groups.—For purposes of this paragraph—

(A) Eligible Taxpayer.—The term ‘eligible taxpayer’ means a small business employer.

(B) Small Business Employer.—

"(1) In General.—The term ‘small business employer’ means, with respect to any taxable year, any employer who employed an average of 50 or fewer employees on each business day during such taxable year.

"(1) Report.—The Comptroller General of the United States shall report on the results of the study required under paragraph (1) to the House of Representatives before July 1, 2005.
SEC. 1206. NONREDUCTION IN PAY WHILE FEDERAL EMPLOYEE IS PERFORMING ACTIVE SERVICE IN THE UNIFORMED SERVICES OR NATIONAL GUARD.

(a) PRESERVATION OF PAY LEVEL.—(1) In general.—Subchapter IV of chapter 55 of title 5, United States Code, is amended by adding at the end the following:

"§ 5538. Nonreduction in pay while serving in the uniformed services or National Guard.

"(a) Definitions.—(A) The term ‘employee’ means an employee of the Federal Government who is serving in a capacity as a member of the uniformed services or any component of the uniformed services of the United States acting as a nondeployable for health reasons, including any member of the Ready Reserve of the Ready Reserve of a reserve component of the armed forces and members of the Individual Ready Reserve described in section 609(b) of the National Security Act of 1947, or any other reserve component of the armed forces.

"(B) For purposes of this section, the term ‘pay status’ means—

"(i) active duty service. While the enactment of this title may be deducted and withheld from basic pay payable to the member under subsection (a).

"(2) In 2004, Congress passed legislation authorizing the enrollment of covered health care for covered members not entitled to such basic pay or compensation.

"(d) The Office of Personnel Management shall, in consultation with the Secretary of Defense, prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

"(3) The premiums payable to the member under this section may terminate the enrollment of the member on the basis as being reasonable for the coverage.

"(4) Amounts collected as premiums under this subsection shall be credited to the account of the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subsection (b) of such section for such fiscal year.

"(f) Other Charges.—A person who receives health care pursuant to an enrollment in a TRICARE program option under this title, including a member who receives such health care, shall be subject to the same deductibles, copayments, and other nonpremum charges for health care as apply under this chapter for health care provided under the same TRICARE program option to the member described in paragraphs (A), (D), (E), (F), and (I) of section 1072 of this title.

"(g) Termination of Enrollment.—(1) A member enrolled in the TRICARE program under this title may terminate the enrollment only during an open enrollment period provided under subsection (c), except as provided in subsection (h).

"(2) An enrollment of a member for self alone or for self and family under section 1076b of this title may be terminated on the basis of failure to pay the premium charged the member under this section.

"(h) Effective Date.—(1) In general.—Section 5538 of title 5, United States Code (as added by subsection (a)), shall apply with respect to pay periods (as described in subsection (b) of such section) beginning on or after the date of enactment of this Act.

"(2) Conditional Retroactive Application.—(A) Section 5538 of title 5, United States Code (as added by subsection (a)), shall apply with respect to pay periods (as described in subsection (b) of such section) beginning on or after October 11, 2002 through the date of the enactment of this Act, subject to the availability of appropriations.

"(B) There are authorized to be appropriated $100,000,000 for purposes of subparagraph (A).

"TITLE XXII—NATIONAL GUARD AND RESERVE COMPREHENSIVE HEALTH BENEFITS

SEC. 2201. SHORT TITLE.

This title may be cited as the ‘‘National Guard and Reserve Comprehensive Health Benefits Act of 2005’’.

SEC. 2202. FINDINGS.

Congress makes the following findings:

(1) According to the results of a Department of Defense survey conducted in 2000, 20 percent of members of the reserve components of the Armed Forces, including 49 percent of junior enlisted personnel, had no health care coverage while not on active duty.

(2) In 2004, Congress passed legislation authorizing the enrollment of covered health care for covered members not entitled to such basic pay or compensation.

(3) The premiums payable to the member under this subsection may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

(4) Amounts collected as premiums under this subsection shall be credited to the account of the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subsection (b) of such section for such fiscal year.

(5) Other Charges.—A person who receives health care pursuant to an enrollment in a TRICARE program option under this title, including a member who receives such health care, shall be subject to the same deductibles, copayments, and other nonpremum charges for health care as apply under this chapter for health care provided under the same TRICARE program option to the member described in paragraphs (A), (D), (E), (F), and (I) of section 1072 of this title.

(6) Termination of Enrollment.—(1) A member enrolled in the TRICARE program under this title may terminate the enrollment only during an open enrollment period provided under subsection (c), except as provided in subsection (h).

"(2) An enrollment of a member for self alone or for self and family under this section shall terminate on the first day of the month following the beginning on or after the date of enactment of this Act.
“(b) RELATIONSHIP TO TRANSITION TRICARE COVERAGE UPON SEPARATION FROM ACTIVE DUTY.—(1) A member may not enroll in the TRICARE program under this section while he or she is on active duty and under subsection (a) of section 1145 of this title or while authorized to receive health care under subsection (c) of such section.

“(2) The provisions of the TRICARE program under this section within 90 days after the date of the termination of the member’s entitlement or eligibility to receive health care under subsection (a) (or (c) of section 1145 of this title) may terminate the enrollment at any time within one year after the date of the enrollment.

“(d) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.

“(b) DEFINITIONS.—

(1) TRICARE OPTIONS.—Section 1072 of title 10, United States Code, is amended by adding at the end the following new paragraphs:

“(10) The term ‘TRICARE Prime’ means the managed care option of the TRICARE program.

“(11) The term ‘TRICARE Standard’ means the Civilian Health and Medical Program of the Uniformed Services option under the TRICARE program.

“(c) PERIOD OF IMPLEMENTATION.—

(A) Section 1076d(f) of such title is amended—

(i) by striking ‘“(f) DEFINITIONS.—”’ and inserting ‘“(f) IMMEDIATE FAMILY DEFINED.—In this section, the term ‘immediate family’ means the dependent members of the family of a member enrolled in or eligible to enroll in a health benefits plan under this title.”’;

(ii) by striking paragraph (2).”

“(d) EXTENSION OF PERIOD OF COBRA COVERAGE.—The benefits coverage continuation period under this section for continuation of qualified health benefits plan coverage, for the purposes of this section, shall not lapse.

“(d) APPlicability.—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 under the member for the coverage of the member and dependents.

“(e) Maximum Amount.—The total amount that may be paid for the applicable premium of a health benefits plan coverage for a member under this section in a fiscal year may not exceed the amount determined by multiplying—

“(1) the sum of one plus the number of the member’s dependents covered by the health benefits plan, by

“(2) the per capita cost of providing TRICARE coverage and benefits for dependents under title 10, United States Code, as determined by the Secretary of Defense.

“(f) 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(c) of this title terminates under paragraph (3) of such section; or

“(B) the member elects to terminate the continued qualified health benefits plan coverage of the dependents of the member.

“(g) 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(h)(5)(C) of such Code shall apply.

“(h) NONDISCLOSURE 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 shall not disclose the existence of such benefits to third parties.

“(i) Applicability 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 benefits under the TRICARE program as provided for under this chapter.

“(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations for carrying out this section. The regulations shall include such requirements for making an election as the Secretary considers appropriate."

“(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“1078b. Continuation of non-TRICARE health benefits plan coverage for certain Reserve members 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 or on after the date of the enactment of this Act.

TITLE XXIII—IMPROVED DEATH GRATUITY AND OTHER SURVIVOR BENEFITS

SEC. 2302. INCREASED AMOUNT OF DEATH GRATUITY.

(a) AMOUNT OF DEATH GRATUITY.—Section 1478(a) of title 10, United States Code, is amended by striking “$12,000” in the first sentence and inserting “$100,000”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 11, 2001, and shall apply with respect to deaths occurring on or after that date.

SEC. 2303. DEATH GRATUITY EXCLUDABLE FROM FEDERAL INCOME TAXATION.

(a) IN GENERAL.—Paragraph (1) of section 13101 of the Internal Revenue Code of 1986 (relating to certain military benefits) is amended by adding at the end the following newflush sentence:

“Nothing shall include any death gratuity to which the limitation in section 1478(a) of title 10, United States Code, applies.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts paid with respect to deaths occurring on or after September 11, 2001.
Iraq has resulted in a commitment of United States resources to reconstruction that otherwise would be available for supporting the efforts of United States military personnel to rid Iraq and Afghanistan of hostile insurgents.

(4) Iraq possesses the world’s second largest reserve of crude oil, with 112,000,000,000 barrels, and offset plans have stated on several occasions that revenue from Iraq’s oil industry could fund a significant portion of the costs of the reconstruction of Iraq.

SEC. 3102. REPORT ON ADDITIONAL NEEDS FOR FUNDING MILITARY AND RECONSTRUCTION EFFORTS.

(a) REQUIREMENT FOR REPORT.—Whenever the President submits to Congress a request for a supplemental appropriation of funds for use in connection with United States military or reconstruction efforts in Iraq, the President shall submit to the chairmen and ranking members of the appropriate committees of Congress in accordance with this section a report on the status of United States financial commitments to the reconstruction of Iraq.

(b) CONTENT.—The report under subsection (a) shall include, the following information:

(1) An estimate of the amount of the United States Government funds spent for the reconstruction of Iraq between March 19, 2003, and the date of the report that is attributable to tax revenue collected from United States taxpayers.

(2) An assessment of the activities funded by that amount, together with a discussion of the results that such activities have achieved.

(3) An estimate of the amount of the funds that have been contributed by all other foreign governments for the reconstruction of Iraq and in relief of Iraq’s national debt.

(4) The amount of the crude oil that has been extracted since March 19, 2003, and the total value of that oil in United States dollars.

(c) TIME FOR REPORT.—The President shall submit the report under this section not later than 24 hours after any proposed legislation to provide a supplemental appropriation of funds requested by the President for use in connection with United States military or reconstruction activities in Iraq is introduced in either the Senate or the House of Representatives.

(d) FORM.—The report under this section shall be submitted in unclassified form.
amended by striking

I, 2007, section 691(b)(1) of such title is

Terrorists More Effectively Act of 2005

SEC. 102. FOREIGN LANGUAGE EXPERTISE.

SEC. 101. INCREASED STRENGTH OF ARMY SPE-

America

with all my colleagues to strengthen

grateful. I look forward to working

ideas contributed by my Democratic

land security.

who labor on the front lines of home-

sent that the text of the bill be printed

in the RECORD.

Be it enacted by the Senate and House of Rep-

resentatives of the United States of America in

Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Targeting Terrorists More Effectively Act of 2005”.

TITLE I—EFFECTIVELY TARGETING

TERRORISTS

SEC. 101. INCREASED STRENGTH OF ARMY SPE-

CIAL OPERATIONS FORCES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the number of the active-duty Army personnel comprising the Army Special Forces Command as of the last day of a fiscal year should be increased as follows—

(1) To 4,644, as of September 30, 2006.

(2) To 5,144, as of September 30, 2007.

(3) To 5,844, as of September 30, 2008.

(4) To 6,144, as of September 30, 2009.

(b) INCREASED ACTIVE FORCES END

STRENGTHS TO EFFECTUATE POLICY ON IN-

CREASE IN STRENGTH OF ARMY SPECIAL

FORCES.—

(1) FISCAL YEAR 2006.—Effective on October 1, 2005, section 691(b)(1) of title 10, United States Code, is amended by striking “502,400” and inserting “502,900”.

(2) FISCAL YEAR 2007.—Effective on October 1, 2006, section 691(b)(1) of such title is amended by striking “502,900” and inserting “503,400”.

(3) FISCAL YEAR 2008.—Effective on October 1, 2007, section 691(b)(1) of such title is amended by striking “503,400” and inserting “503,900”.

(4) FISCAL YEAR 2009.—Effective on October 1, 2008, section 691(b)(1) of such title is amended by striking “503,900” and inserting “504,400”.

SEC. 102. FOREIGN LANGUAGE EXPERTISE.

(a) FINDINGS.—Congress makes the fol-

lowing findings:

(1) Success in the global war on terrorism will require a dramatic increase in institutional and personal expertise in the lan-

guages and cultures of the societies where terrorism has taken root, including a substantial increase in the number of national security personnel who obtain expert lingual training.

(2) The National Commission on Terrorist Attacks Upon the United States identified the countries in the Middle East, South Asia, Southeast Asia, and West Africa as countries that serve or could serve as terrorist havens.

(3) Although 22 countries have Arabic as their official language, the National Com-

mission on Terrorist Attacks Upon the United States found that a total of only 6 un-
dergraduate degrees for the study of Arabic were granted by United States colleges and universities in 2002.

(4) The report of the National Commission on Terrorist Attacks Upon the United States contained several criticisms of the lack of linguistic expertise in the Central Intel-

ligence Agency and the Federal Bureau of In-

vestigation prior to the September 11, 2001 terrorist attacks, and called for the Central Intelligence Agency to “develop a stronger language program, with high standards and sufficient financial incentives”.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) NATIONAL SECURITY EDUCATION TRUST FUND.—Section 810 of the David L. Boren Na-

tional Security Education Act of 1991 (50 U.S.C. 1910) is amended by adding at the end the following:

“(d) AUTHORIZATION OF APPROPRIATIONS FOR THE FUND FOR FISCAL YEAR 2006.—

“(1) IN GENERAL.—There are authorized to be appropriated to the Fund $150,000,000 for fiscal year 2006.

“(2) AVAILABILITY OF FUNDS.—Amounts appro-

priated pursuant to the authorization of appropriations in paragraph (1) shall remain available until expended and not more than $15,000,000 of such amounts may be obligated and expended during any fiscal year.”.

(c) NATIONAL FLAGSHIP LANGUAGE INITI-

ATIVE.

(1) IN GENERAL.—Section 811(a) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1911) is amended by striking “there is authorized to be appro-

priated to the Secretary for each fiscal year, beginning with fiscal year 2003, $10,000,000” and inserting “there is authorized to be appro-

priated to the Secretary for each fiscal year 2003 through 2005, $10,000,000, and for each fiscal year after 2005, $20,000,000”.

(2) AVAILABILITY OF FUNDS.—Amounts appro-

priated pursuant to the authorization of appropriations in subsection (a) of this section are available for programs to provide technical assistance to prevent financing of terrorist activities.

(3) DEMONSTRATION PROGRAM.—There are authorized to be appropriated to the Director of National Intelligence such sums as may be necessary for each of fiscal years 2006, 2007, and 2008 in order to carry out the demonstration program established under subsection (c).

SEC. 103. CURTAILING TERRORIST FINANCING.

(a) FINDINGS.—Congress makes the fol-

lowing findings:

(1) The report of the National Commission on Terrorist Attacks Upon the United States stated that “[v]igorous efforts to combat ter-

ror financing must remain front and cen-

ter in United States counterterrorism ef-

forts.”

(2) The report of the Independent Task Force sponsored by the Council on Foreign Relations stated that “currently existing U. S. and international policies, programs, structures, and organizations are inade-

quate to assure sustained results commen-

surate with the ongoing threat posed to the national security of the United States.”

(3) The report of the Independent Task Force contained the conclusion that “[l]ong-

term success will depend critically upon the structure, integration, and focus of the U. S. Government—and any intergovernmental ef-

forts undertaken to address this problem”.

(b) POLICY.—It is the policy of the United States

(1) to work with the Government of Saudi Arabia to curtail terrorist financing origi-

nating from that country using a range of methods, including diplomacy, intelligence, and law enforcement;

(2) to ensure effective coordination and sufficient resources for efforts of the agen-

cies and departments of the United States to disrupt terrorist financing by carrying out, through the Office of Terrorism and Finan-

cial Intelligence in the Department of the Treasury, a comprehensive analysis of the budgets and activities of all such agencies and departments that are related to dis-

rupting the financing of terrorist organiza-

tions;

(3) to provide each agency or department of the United States with the appropriate num-

ber of personnel to carry out the activities of such agency or department related to dis-

rupting the financing of terrorist organiza-

tions;

(4) to centralize the coordination of the ef-

forts of the United States to disrupt ter-

ror financing and utilize existing authori-

ties to identify foreign jurisdictions and for-

eign financial institutions suspected of abet-

ting act as terrorist financing and take actions to pre-

vent the provision of assistance to terror-

ists; and

(5) to work with other countries to develop and enforce strong domestic terrorist financ-

ing laws, and increase funding for bilateral and multilateral programs to enhance train-

ing and capacity-building in countries who request assistance.

(c) AUTHORIZATION OF APPROPRIATIONS TO PROVIDE TECHNICAL ASSISTANCE TO PREVENT FINANCING OF TERRORISTS.—

(1) IN GENERAL.—The sums authorized to be appropriated to the President for the “Eco-

nomic Support Fund” to provide technical assistance under the provisions of chapter 4 of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.) to foreign coun-

tries to assist such countries in preventing the financing of terrorist activities—

(A) for fiscal years 2006, 2007, and 2008, such sums as may be necessary.

(2) AVAILABILITY OF FUNDS.—Amounts appro-

priated pursuant to the authorization of appropriations in this subsection are author-

ized to remain available until expended.

(3) ADDITIONAL FUNDS.—Amounts author-

ized to be appropriated in this section are in addition to amounts otherwise avail-

able for such purposes.
SEC. 104. PROHIBITION ON TRANSACTIONS WITH COUNTRIES THAT SUPPORT TERRORISM.

(a) Clarification of Certain Actions Under IEEPA.—In any case in which the President takes action under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to a foreign country, or persons dealing with or associated with the government of that foreign country, as a result of a determination by the Secretary of State that the government of that foreign country has repeatedly provided support for acts of international terrorism, such action shall apply to a United States person or any other person.

(b) Definitions.—In this section:

(1) Controlled in Fact.—The term “controlled in fact” includes —

(A) in the case of a corporation, holds at least 50 percent (by vote or value) of the capital stock of the corporation; and

(B) in the case of any other kind of legal entity, holds interests representing at least 50 percent of the capital structure of the entity.

(2) State.—The term “State” means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and other territories or possessions of the United States.

(3) United States Person.—The term “United States person” includes United States citizen, permanent resident alien, entity organized under the law of the United States or of any State (including foreign branches) wherever located, or any other person in the United States.

(c) Applicability.—

(1) In General.—In any case in which the President has taken action under the International Emergency Economic Powers Act and such action is in effect on the date of enactment of this Act, the provisions of subsection (a)(1) shall not apply to a United States person (or other person) if such person does not own, or terminate its business with the government or person identified by such action, within 90 days after the date of enactment of this Act.

(2) Actions After Date of Enactment.—In any case in which the President takes action under the International Emergency Economic Powers Act or after the date of enactment of this Act, the provisions of subsection (a)(1) shall apply to a United States person (or other person) if such person does not own, or terminate its business with the government or person identified by such action, within 90 days after the date of such action.

(d) Notification of Congress of Termination of Investigation by Office of Foreign Assets Control.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by adding at the end the following new section:

SEC. 42. NOTIFICATION OF CONGRESS OF TERMINATION OF INVESTIGATION BY OFFICE OF FOREIGN ASSETS CONTROL.

“The Director of the Office of Foreign Assets Control shall notify Congress upon the termination of any investigation by the Office of Foreign Assets Control of the Department of the Treasury if any sanction is imposed by the Director of such office as a result of the investigation.”

TITLE II—PREVENTING THE GROWTH OF RADICAL ISLAMIC FUNDAMENTALISM

Subtitle A—Quality Educational Opportunities

SEC. 201. FINDINGS, POLICY, AND DEFINITION.

(a) Findings.—Congress makes the following findings:

(1) The report of the National Commission on Terrorist Attacks Upon the United States stated that “[e]ducation that teaches tolerance, the dignity and value of each individual, and respect for different beliefs is a key element in any global strategy to eliminate Islamic terrorism.”

(2) According to the United Nations Development Program Arab Human Development Report for 2002, 10,000,000 children between the ages of 6 through 15 in the Arab world do not attend school, and 56 of the 65,000,000 illiterate adults in the Arab world are women.

(b) Policy.—It is the policy of the United States—

(1) to work toward the goal of dramatically increasing the availability of basic education in the developing world, which will reduce the influence of terrorist organizations and other institutions that support religious extremism;

(2) to join with other countries in generously supporting the International Youth Opportunity Fund authorized under section 7114 of the 9/11 Commission Implementation Act of 2004 (Public Law 108–446) for international education programs;

(3) to offer additional incentives to countries to increase the availability of basic education; and

(4) to promote educational institutions that promote religious extremism and terrorism.

(c) Authorization of Appropriations.—

(1) PROMOTING DEMOCRACY AND DEVELOPMENT IN THE MIDDLE EAST, CENTRAL ASIA, SOUTH ASIA, AND SOUTHEAST ASIA.

(a) Findings.—Congress makes the following findings:

(1) Al-Qaeda and affiliated groups have established a terrorist network with links throughout the Middle East, Central Asia, South Asia, and Southeast Asia.

(2) While political repression and lack of economic development do not justify terrorism, increased political freedoms and economic growth can contribute to an environment that undercuts tendencies and conditions that facilitate the rise of terrorist organizations.

(3) It is in the national security interests of the United States to promote democracy, good governance, and human rights, as well as to support the development of democratic institutions that promote religious extremism and terrorism.

(b) Strategy.—It is the policy of the United States—

(1) to promote the objectives described in subsection (a)(3) in the countries of the Middle East, Central Asia, South Asia, and Southeast Asia;

(2) to provide assistance and resources to organizations that are committed to promoting such objectives;

(3) to work with other countries and international organizations to increase the resources devoted to promoting such objectives.

(c) Authorization of Appropriations.—

(1) In General.—There are authorized to be appropriated pursuant to the authorization of appropriations in subsection (b)(1) the following amounts for activities carried out under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2151c et seq.) to promote the policy of the United States:

(A) for fiscal year 2006, $750,000,000; and

(B) for fiscal years 2007 and 2008, such sums as may be necessary.

(2) Purpose.—The amounts authorized to be appropriated to the President for fiscal years 2006, 2007, and 2008 shall be used for the purposes of promoting the policy of the United States in the countries of the Middle East, Central Asia, South Asia, and Southeast Asia.

(d) Sense of Congress.—It is the sense of Congress that a substantial portion of the funds appropriated pursuant to the authorization of appropriations in subsection (b)(1) should be made available to non-governmental organizations that have a record of success working in the countries of
the Middle East, Central Asia, South Asia, and Southeast Asia to support democratic parties, human rights organizations, independent media, and the efforts to promote the rights of women.

SEC. 212. MIDDLE EAST FOUNDATION.

(a) PURPOSES.—The purposes of this section are to support, through the provision of grants, technical assistance, training, and other assistance, the efforts of countries of the Middle East and from other countries, including the United States, to create or maintain appropriate nonprofit organizations that are engaged in public policymaking in the Middle East, and from other countries, including the United States, to create a center for public policy and educational activities located in the Middle East, the expansion of educational systems, training and other assistance to support, through the provision of grants, technical assistance, training, and other assistance, the efforts of countries of the Middle East and from other countries, including the United States, to create or maintain appropriate nonprofit organizations that are engaged in public policymaking in the Middle East.

(b) MIDDLE EAST FOUNDATION.—

(1) DESIGNATION.—The Secretary of State is authorized to designate an appropriate nonprofit organization that is organized or incorporated under the laws of the United States or of any State as the Middle East Foundation (referred to in this section as the “Foundation”).

(2) FUNDING.—The Secretary of State is authorized to provide funding to the Foundation through the Middle East Partnership Initiative of the Department of State. The Foundation shall use amounts provided under this paragraph to carry out the purposes specified in subsection (b) to make grants to persons (other than governments or government entities) located in the Middle East or working with local partners based in the Middle East to carry out projects that support the purposes specified in subsection (a).

(3) NOTIFICATION TO CONGRESSIONAL COMMITTEES.—The Secretary of State shall notify the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives prior to designating an appropriate organization as the Foundation.

(c) DESIGNATION OF PROJECTS.—

(1) FOUNDATION TO MAKE GRANTS.—The Secretary of State shall enter into an agreement with the Foundation that requires the Foundation, in making grants, to consult with organizations identified by the State Department.

(2) CENTER FOR PUBLIC POLICY.—Under the agreement described in paragraph (1), the Foundation may make grants to appropriate nonprofit organizations that are engaged in public policy in the Middle East.

(d) APPLICATIONS FOR GRANTS.—An entity seeking a grant from the Foundation under this section shall submit an application to the Foundation at such time and in such manner, and including such information as the head of the Foundation may reasonably require.

(e) AUTHORITY OF THE FOUNDATION.—Nothing in this section shall be construed to—

(1) make the Foundation an agency or establishment of the United States Government, or to make the officers or employees of the Foundation officers or employees of the United States Government for purposes of title 5, United States Code; or

(2) impose any restriction on the Foundation's receipt from private and public sources in support of its activities consistent with the purposes of this section.

(f) LIMITATION ON PAYMENTS TO FOUNDATION PERSONNEL.—The funds provided to the Foundation under this section shall inure to the benefit of any officer or employee of the Foundation, except as salary or reasonable compensation for services.

(g) RETENTION OF INTEREST.—The Foundation may hold funds provided under this section in interest bearing accounts prior to the disbursement of such funds to carry out the purposes of this section, and may retain for use for such purposes any interest earned without returning such interest to the Treasury of the United States and without further appropriation by Congress.

(h) FINANCIAL ACCOUNTABILITY.—

(1) INDEPENDENT PRIVATE AUDITS OF THE FOUNDATION.—The accounts of the Foundation shall be audited annually in accordance with generally accepted auditing standards by independent public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States or of a State or other political subdivision of the United States.

(2) AUDITS OF GRANT RECIPIENTS.—The financial transactions undertaken pursuant to this section by the Foundation may be audited by the General Accounting Office in accordance with such principles and procedures and under such conditions and regulations as may be prescribed by the Comptroller General of the United States.

(3) AUDIT OF GRANT RECIPIENTS.—

(A) IN GENERAL.—A recipient of a grant from the Foundation shall agree to permit an audit of the books and records of such recipient related to the use of the grant funds.

(B) RECORDKEEPING.—Such recipient shall maintain appropriate books and records to facilitate an audit referred to in subparagraph (A), including—

(i) separate accounts with respect to the grant funds;

(ii) records that fully disclose the use of the grant funds; and

(iii) records describing the total cost of any project carried out using grant funds.

(h) ANNUAL REPORT.—Not later than January 31, 2006, and annually thereafter, the Foundation shall submit to Congress and make available to the public an annual report that includes, for the fiscal year prior to the fiscal year in which the report is submitted, a comprehensive and detailed description of—

(1) the operations and activities of the Foundation, including a description of projects for which funds were provided under this section;

(2) grants made by the Foundation to other entities with funds provided under this section;

(3) other activities of the Foundation to further the purposes of this section; and

(4) the financial condition of the Foundation.

Subtitle C—Restoring American Moral Leadership

SEC. 221. ADVANCING UNITED STATES INTERESTS THROUGH PUBLIC DIPLOMACY.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States needs to improve its communication of information and ideas to people in foreign countries, particularly in countries with significant Muslim populations, to promote its national interests.

(2) Public diplomacy should reaffirm the paramount commitment of the United States to promoting the protection and preservation of the civil liberties of all the people of the United States, including Muslim-Americans.

(3) The report of the National Commission on Terrorist Attacks Upon the United States stated that, “Recognizing that Arab and Muslim audiences rely on television and radio, the government has begun some promising initiatives in television and radio broadcasting to the Arab world, Iran, and Afghanistan. These efforts have not yet reached large audiences. The Broadcasting Board of Governors has asked for much larger resources. It should get them.”

(4) A significant expansion of United States international broadcasting would provide a cost-effective means of improving public policy objectives during a crisis abroad.

(b) SPECIAL AUTHORITY FOR SURGE CAPACITY.

(1) EMERGENCY AUTHORITY.—

(1) IN GENERAL.—Whenever the President determines it to be important to the national interests of the United States and so certifies to the appropriate congressional committees, the President, on such terms and conditions as the President determines, is authorized to direct any department, agency, or other entity of the United States to furnish the Broadcasting Board of Governors with such assistance as may be necessary to provide international broadcasting activities of the United States with a surge capacity to support United States foreign policy objectives during a crisis abroad.

(2) SUPersedes EXISTING LAW.—The authority of paragraph (1) supersedes any other provision of law.

(3) SURGE CAPACITY DEFINED.—In this subsection, the term ‘surge capacity’ means the financial and technical resources necessary to broadcast to designated countries with significant Muslim populations in a geographical area during a crisis.

(4) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the President such sums as may be necessary for the President to carry out this section, except that no such amount may be appropriated which, when added to amounts previously appropriated for such purpose but not yet obligated, would cause such amounts to exceed $25,000,000.

(2) AVAILABLE OF FUNDS.—Amounts appropriated pursuant to the authorization of appropriations in this subsection are authorized to remain available until expended.

(3) DESIGNATION OF APPROPRIATIONS.—

(A) UNIFIED.—An annual report submitted to the President and Congress by the Broadcasting Board of Governors under section 305(a)(9) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6512) and the Secretary of State under section 306(a)(9) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6513) shall provide a detailed description of any activities carried out under section 316 of this Act, as added by subsection (b), and the authorization of appropriations for United States international broadcasting activities.
SEC. 222. DEPARTMENT OF STATE PUBLIC DIPLOMACY PROGRAMS.


(b) ADMINISTRATION OF FOREIGN AFFAIRS.—The is authorized to be appropriated for the Department of State undergraduate Administration of Foreign Affairs to carry out the activities, programs, and responsibilities of the Department of State, $100,000,000 for the fiscal year 2006, which shall only be available for public diplomacy international programs.

SEC. 223. TREATMENT OF DETAINERS.

(a) FINDINGS.—Consistent with the report of the National Commission on Terrorist Attacks Upon the United States, Congress makes the following findings:

(1) Carrying out the global war on terrorism requires the development of policies with respect to the detention and treatment of capital terrorists that are adhered to by coalition forces.

(2) Article 3 of the Convention Relative to the Treatment of Prisoners of War, done at Geneva August 12, 1949 (6 UST 3316), was specifically designed for cases in which the usual rules of war do not apply, and the minimum standards of treatment pursuant to such Article are generally accepted throughout the world as customary international law.

(b) POLICY.—The policy of the United States shall be to:

(1) treat all foreign persons captured, detained, interned, or otherwise held in the custody of the United States (‘‘detainees’’) humanely and in accordance with the legal obligations under United States law and international law, including the obligations in the Convention Against Torture and in the minimum standards set forth in the Geneva Conventions;

(2) continue the policy of the United States that all officials of the United States are bound both in wartime and in peacetime by the legal prohibitions against torture, cruel, inhuman, or degrading treatment or punishment set out in the Constitution, laws, and treaties of the United States;

(3) if there is any doubt as to whether a detainee is entitled to the protections afforded by the Geneva Conventions, it is the policy of the United States that such detainee shall be treated as if the United States had not adhered to the Convention Relative to the Treatment of Prisoners of War, done at Geneva August 12, 1949 (6 UST 3316), until such time as the detainee’s status can be determined pursuant to the procedures authorized by Army Regulation 190-8, section 1-6.

(4) It is the policy of the United States to provide individualized hearings for all detainees for the purpose of expeditiously holding detainees accountable for violations of the law of war, other relevant international prohibitions, or customs that have the effect of having been committed by such detainees or to expediently conduct intelligence debriefings of such detainees.

(5) It is the policy of the United States to avoid the indefinite detention of any individual in a manner which is contrary to the legal principles and security interests of the United States.

(c) REPORTING.—The Secretary shall submit to the appropriate congressional committees:

(1) A quarterly report providing the number of detainees who were denied prisoner of war status under the Geneva Conventions and the basis for denying such status to each such detainee.

(2) Not later than 180 days after the date of the enactment of this Act, a report setting forth:

(A) the proposed schedule for military commissions to be held at Guantanamo Bay, Cuba; and

(B) the number of individuals currently held at Guantanamo Bay, Cuba, the number of such individuals who are unlikely to face a military commission in the next six months, and each reason for not bringing such individuals before a military commission.

(3) Not later than 180 days after the date of the enactment of this Act, all International Committee of the Red Cross reports, completed prior to the enactment of this Act, concerning the treatment of detainees in United States custody at Guantanamo Bay, Cuba, Israel, and Afghanistan. Such reports should be provided, in classified form.

(4) Not later than 90 days after the date of the enactment of this Act, a report setting forth all interrogation techniques approved, as of the date of the enactment of this Act, by officials of the United States for use with detainees.

(d) ANNUAL TRAINING REQUIREMENT.—The Secretary of Defense shall certify to the appropriate congressional committees, no later than June 1 of each year, that all Federal employees and civilian contractors engaged in the handling or interrogating of detainees have fulfilled an annual training requirement on the laws of war, the Geneva Conventions, the Convention Against Torture, and the obligations of the United States under international law.

(e) PROHIBITION ON TORTURE OR CRUEL, INHUMANE, OR DEGRADING TREATMENT OR PUNISHMENT.—

(1) GENERAL.—No detainee shall be subjected to torture or cruel, inhuman, or degrading treatment or punishment that is prohibited by the Constitution, laws, or treaties of the United States.

(2) RELATIONSHIP TO GENEVA CONVENTIONS.—Nothing in this section shall affect the obligations of the United States under the Geneva Conventions or whether any person is entitled to the protections of the Geneva Conventions.

(f) RULES, REGULATIONS, AND GUIDELINES.—

(1) REQUIREMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall prescribe the rules, regulations, or guidelines necessary to ensure compliance with the prohibitions in subsection (e)(1) by all personnel of the United States Government, and to any person providing services to the United States Government on a contract basis.

(2) REPORT TO CONGRESS.—The Secretary shall submit to Congress the rules, regulations, or guidelines prescribed under paragraph (1), and any modifications to such rules, regulations, or guidelines.

(A) not later than 30 days after the effective date of such rules, regulations, guidelines, or modifications, the Committee on Armed Services, the Committee on Intelligence, and the Committee on Foreign Relations, and not less than twice each year, a report to Congress on the circumstances surrounding, and a status report on, any investigation of a possible violation of the prohibition in subsection (e)(1) by United States Government personnel or by a person providing services to the United States Government on a contract basis.

(b) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘‘appropriate congressional committees’’ means—

(A) the Committee on Armed Services;

(B) the Committee on Intelligence;

(C) the Committee on Foreign Relations; and

(D) the Committee on Appropriations.

(2) CONVENTION AGAINST TORTURE.—The term ‘‘Convention Against Torture’’ means the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, done at New York December 10, 1984.

(3) DIRECTOR.—The term ‘‘Director’’ means the Director of National Intelligence.

(G) GENEVA CONVENTIONS.—The term ‘‘Geneva Conventions’’ means—

(A) the Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in Time of War, done at Geneva August 12, 1949 (6 UST 3114); and

(B) the Convention for the Amelioration of the Condition of Civilian Persons in Time of War, done at Geneva August 12, 1949 (6 UST 3217).

(C) GENEVA CONVENTIONS.—The term ‘‘Geneva Conventions’’ means—

(A) the Convention for the Amelioration of the Condition of the Wounded, Sick and Disabled Members of Armed Forces at Sea, done at Geneva August 12, 1949 (6 UST 3316); and

(B) the Convention Relative to the Treatment of Prisoners of War, done at Geneva August 12, 1949 (6 UST 3516).

(5) SECRETARY.—The term ‘‘Secretary’’ means the Secretary of Defense.

(g) REPORTS ON POSSIBLE VIOLATIONS.—

(1) REQUIREMENT.—The Secretary and the Director shall submit, on a timely basis and not less than twice each year, a report to Congress on the circumstances surrounding, and a status report on, any investigation of a possible violation of the prohibition in subsection (e)(1) by United States Government personnel or by a person providing services to the United States Government on a contract basis.

(2) REPORTS OF VIOLATION.—A report required under paragraph (1) shall be submitted in a manner and form that—

(A) will protect the national security interests of the United States;

(B) will not prejudice any prosecution of an individual alleged to have violated the prohibition in subsection (e)(1).

(5) APPROPRIATIONS.—In this section:

(1) APPROPRIATIONS FOR MACY PROGRAMS.—There is authorized to be appropriated for the Department of State to carry out the activities of the United States China Council, $425,000,000 for the fiscal year 2006.

(2) AVAILABILITY OF FUNDS.—(A) IN GENERAL.—The is authorized to be appropriated for the United States Information and Educational Exchange Act of 1948, $900,000,000 for the fiscal year 2006.

(B) AVAILABILITY OF FUNDS.—(A) IN GENERAL.—The is authorized to be appropriated for the Department of State to carry out United States Government on a contract basis.

(3) DIRECTOR.—The term ‘‘Director’’ means the Director of National Intelligence.

(g) REPORTS ON POSSIBLE VIOLATIONS.—

(1) REQUIREMENT.—The Secretary and the Director shall submit, on a timely basis and not less than twice each year, a report to Congress on the circumstances surrounding, and a status report on, any investigation of a possible violation of the prohibition in subsection (e)(1) by United States Government personnel or by a person providing services to the United States Government on a contract basis.

(2) REPORTS OF VIOLATION.—A report required under paragraph (1) shall be submitted in a manner and form that—

(A) will protect the national security interests of the United States;

(B) will not prejudice any prosecution of an individual alleged to have violated the prohibition in subsection (e)(1).

(5) APPROPRIATIONS.—In this section:

(1) APPROPRIATIONS FOR MACY PROGRAMS.—There is authorized to be appropriated for the Department of State to carry out the activities of the United States China Council, $425,000,000 for the fiscal year 2006.
SEC. 224. NATIONAL COMMISSION TO REVIEW POLICY REGARDING THE TREATMENT OF DETAINED PERSONS OF THE ARMED FORCES OF THE UNITED STATES. There is hereby established the National Commission, and its powers and functions under this section, shall terminate 120 days after the date of the submission of its first report required under this section.

(a) Establishment of Commission. There is hereby established the National Commission to Review Policy Regarding the Treatment of Detained Persons of the Armed Forces of the United States. The Commission shall be an independent establishment, and its functions shall include, but not be limited to:

(1) establishing a staff (which shall perform such functions as may be assigned by the Commission), including a staff director; and

(2) undertaking and carrying out such research, studies, and analyses as may be determined advisable by the Commission.

(b) Purpose. The purpose of the Commission is to make a comprehensive study and report, containing such findings, conclusions, and recommendations as the Commission shall determine, of the policies of the United States relating to the treatment of individuals detained by the United States in the course of operations in Iraq or Afghanistan prior to such operations; and

(c) Members. The Commission shall be composed of 15 members, of whom

(3) shall be appointed by the Speaker of the House of Representatives;

(4) shall be appointed by the minority leader of the Senate;

(5) shall be appointed by the majority leader of the House of Representatives;

(6) shall be appointed by the minority leader of the House of Representatives;

(7) shall be appointed by the Speaker of the House of Representatives;

(8) shall be appointed by the majority leader of the Senate;

(9) shall be appointed by the minority leader of the House of Representatives;

(10) shall be appointed by the majority leader of the Senate;

(11) shall be appointed by the majority leader of the House of Representatives;

(12) shall be appointed by the Speaker of the House of Representatives;

(13) shall be appointed by the majority leader of the Senate;

(14) shall be appointed by the minority leader of the House of Representatives;

(15) shall be appointed by the majority leader of the Senate.

The members of the Commission shall serve without compensation, and any member of the Commission shall be subject to the provisions of section 2101 of title 5, United States Code, governing appointments in the competitive service, without regard to the provisions of chapter 51 and subchapter III of chapter 55 of title 5, United States Code relating to classification and General Schedule pay rates, except that no rate of pay fixed under this section shall exceed the equivalent of that payable to a position of GS-15 in the Executive Schedule under schedule SI6 of title 5, United States Code.

(c) Quorum. Any quorum of the Commission shall constitute a quorum, and any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Functions of the Commission. The functions of the Commission are—

(1) to examine and report upon the application of policymakers in the development of intelligence and information related to the treatment of detained individuals during Operation Iraqi Freedom or Operation Enduring Freedom;

(2) to examine and report on the impact of the abuse of prisoners by the United States personnel on the security of the Armed Forces of the United States;

(3) to conduct an investigation of the policies of the United States related to the treatment of individuals detained by the United States, including such reviews conducted by the executive branch, Congress, or other entities.

(e) Powers of the Commission. The powers of the Commission are—

(1) IN GENERAL.—The Commission may, by majority vote, order the attendance and testimony of any witness, require the production of books, records, papers, correspondence, and similar materials, requiring the attendance and testimony of any witness, and requiring the presentation of such evidence as may be necessary to enable the Commission, or such designated subcommittee or designated member may determine advisable.

(2) SUBPOENAS.—(A) SUBPOENAS.—In the case of any failure to obey an order of the Commission requiring the attendance and testimony of any witness, the Commission may, by majority vote, order the attendance and testimony of any witness and require the production of such books, records, papers, correspondence, and similar materials as may be necessary to enable the Commission, or such designated subcommittee or designated member to determine advisable.

(3) INFORMATION FROM FEDERAL AGENCIES.—The Commission may, to carry out its duties under this section, request, receive, and use information from any department, bureau, agency, board, commission, or other entity, including any department, bureau, agency, board, commission, or other entity of the executive branch, or of Congress, or any executive agency of the United States, including such requests conducted by the executive branch, Congress, or other entities.

(f) Reports. The Commission shall—

(1) submit to the President and Congress, at such times and places as the Commission determines, a report containing such findings, conclusions, and recommendations as the Commission shall determine, of the policies of the United States related to the treatment of individuals detained by the United States in the course of operations in Iraq or Afghanistan prior to such operations; and

(2) submit to the President and Congress, at such times and places as the Commission determines, a report containing such findings, conclusions, and recommendations as the Commission shall determine, of the policies of the United States relating to the treatment of individuals detained by the United States in the course of operations in Iraq or Afghanistan prior to such operations; and

(g) Funding. The Commission shall receive such funds as may be needed by the Commission, but any such funds provided by the United States shall be subject to the provisions of chapter 51 and subchapter III of chapter 55 of title 5, United States Code, relating to pay rates, except that no pay fixed under this section shall exceed the equivalent of that payable to a position of GS-15 in the Executive Schedule under schedule SI6 of title 5, United States Code.

(h) Separation of Powers. The duties and powers of the Commission are—

(1) APPOINTMENT AND COMPENSATION.—The Chairperson and Vice Chairperson shall be employees of the United States, and any member designated by a majority of the Commission shall be an employee of the United States.

(2) PERSONNEL AS FEDERAL EMPLOYEES.—Any member designated by a majority of the Commission shall be an employee of the United States, and any personnel of the Commission who are employees shall be employees under section 2101 of title 5, United States Code, governing appointments in the competitive service.

(3) STAFF OF THE COMMISSION.—In addition to the staff of the Commission established under this section, the Commission may, to carry out its duties under this section, request, receive, and use information from any department, bureau, agency, board, commission, or other entity, including any department, bureau, agency, board, commission, or other entity of the executive branch, or of Congress, or any executive agency of the United States, including such requests conducted by the executive branch, Congress, or other entities.
experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 315 of title 5, United States Code.

(g) COMPENSATION AND TRAVEL EXPENSES.—

(1) COMPENSATION.—Each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission.

(2) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(h) SECURITY CLEARANCES FOR COMMISSION MEMBERS AND STAFF.—The appropriate departments and agencies of the Government shall cooperate with the Commission in expeditiously providing to the Commission members and staff appropriate security clearances for consistent with existing procedures and requirements, except that no person shall be provided with access to classified information under this section who would not otherwise qualify for such security clearance.

(i) REPORT OF THE COMMISSION.—Not later than 9 months after the date of the first meeting of the Commission, the Commission shall submit to the President and Congress a report containing such findings, conclusions, and recommendations as have been agreed to by a majority of Commission members.

(j) TERMINATION.—

(1) TERMINATION.—The Commission, and all the authorities of this section, shall terminate 60 days after the date on which the report is submitted under subsection (i).

(2) ADMINISTRATIVE ACTIVITIES BEFORE TERMINATION.—The Commission may use the 60-day period referred to in paragraph (1) for the purpose of concluding its activities, including the submission to Congress of a report on the progress of the Commission concerning its reports and disseminating the second report.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission to carry out this section $5,000,000, to remain available until expended.

Subsection D—Strategy for the United States Relationship With Afghanistan, Pakistan, and Saudi Arabia

SEC. 231. AFGHANISTAN.

(a) AFGHANISTAN FREEDOM SUPPORT ACT OF 2002.—Section 106(a) of the Afghanistan Freedom Support Act of 2002 (22 U.S.C. 7518(a)) is amended by striking "$3,000,000" and inserting "$5,000,000".

(b) Other Appropriations.—

(1) Fiscal year 2008.—There are authorized to be appropriated to the President for providing assistance for Afghanistan in a manner consistent with the provisions of the Afghanistan Freedom Support Act of 2002 (22 U.S.C. 7518 et seq.)—

(A) for "International Military Education and Training". $1,000,000,000 to carry out the provisions of section 541 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347).

(B) for "Military Training, $2,000,000,000 to carry out the provisions of section 23 of the Arms Export Control Act (22 U.S.C. 2768); and

(C) for "Peacekeeping Operations". $30,000,000 to carry out the provisions of section 551 of the Foreign Assistance Act of 1961 (22 U.S.C. 2348).

(2) Fiscal years 2007 and 2008.—

(A) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the United States for each of the fiscal years 2007 and 2008—

(1) for peacekeeping operations under the provisions of section 551 of the Foreign Assistance Act of 1961 (22 U.S.C. 2348(a)); and

(B) SENSE OF CONGRESS.—It is the sense of Congress that the amount appropriated for each purpose described in subparagraphs (A) through (C) of paragraph (1) such sums as may be necessary for each of the fiscal years 2007 and 2008 should be an amount that is equal to 125 percent of the amount appropriated for such purpose during the preceding fiscal year.

(B) OTHER FUNDS.—Amounts authorized to be appropriated under this section are in addition to amounts otherwise available for such purposes.

SEC. 232. PAKISTAN.

(a) FINDINGS.—Congress makes the following findings:

(1) Since September 11, 2001, the Government of Pakistan has been an important partner in helping the United States remove the Taliban regime in Afghanistan and combating international terrorism in the frontier provinces of Pakistan.

(2) There remain a number of critical issues that threaten to disrupt the relationship between the United States and Pakistan, undermine international security, and destabilize Pakistan, including—

(A) curbing the proliferation of nuclear weapons technology;

(B) combating poverty and corruption;

(C) building effective government institutions, especially secular public schools;

(D) promoting the rule of law, particularly at the national level; and

(E) effectively dealing with Islamic extremism.

(b) POLICY.—It is the policy of the United States—

(1) to work with the Government of Pakistan to combat international terrorism, especially in the frontier provinces of Pakistan;

(2) to establish a long-term strategic partnership with the Government of Pakistan to address threats described in subparagraphs (A) through (E) of subsection (a)(2);

(3) to dramatically increase funding for United States Agency for International Development programs that assist Pakistan in addressing such issues, if the Government of Pakistan demonstrates a commitment to building a moderate, democratic state; and

(4) to work with the international community to secure additional financial and political support to effectively implement the policies found in this legislation and help to resolve the dispute between the Government of Pakistan and the Government of India over the disputed territory of Kashmir.

(c) STRATEGY ON PAKISTAN.

(1) REQUIREMENT FOR REPORT ON STRATEGY.—Not later than 90 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report, in classified form if necessary, that describes the long-term strategy of the United States to engage with the Government of Pakistan and to address the issues described in subparagraphs (A) through (E) of subsection (a)(2) in order accomplishing the goal of building a moderate, democratic state in Pakistan.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection the term “appropriate congressional committees” means the Committee on Appropriations and the Committee on Foreign Relations in the Senate, and the Committee on Appropriations and the Committee on Foreign Relations of the House of Representatives.

(d) NUCLEAR PROLIFERATION.—

(1) FINDING.—Congress finds that Pakistan’s nuclear arsenal and nuclear proliferation network would be inconsistent with Pakistan being considered an ally of the United States.

(2) TERMINATION.—It is the sense of Congress that the national security interest of the United States will best be served if the United States develops and implements a long-term strategic relationship with Pakistan that sustains an appropriate partnership with the Government of Pakistan and works with the Government of Pakistan to stop nuclear proliferation.

(e) LIMITATION ON ASSISTANCE TO PAKISTAN.—None of the funds appropriated for a fiscal year to provide military or economic assistance to the Government of Pakistan may be made available for such purpose unless the President submits to Congress for such fiscal year a certification that no military or economic assistance provided by the United States to the Government of Pakistan will be provided, either directly or indirectly, to a person that is opposing or undermining the efforts of the United States Government to halt the proliferation of nuclear weapons.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the President for providing assistance for Pakistan for fiscal year 2006—

(A) for "Development Assistance", $50,000,000 to carry out the provisions of section 103, 105, and 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a, 2151c, and 2151d);

(B) for the "Child Survival and Health Programs Fund", $35,000,000 to carry out the provisions of section 104 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b);

(C) for the "Economic Support Fund", $350,000,000 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2146 et seq.);

(D) for "International Narcotics and Law Enforcement Fund", $50,000,000 to carry out the provisions of section 481 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291);

(E) for "Nonproliferation, Anti-Terrorism, Demining, and Related Programs", $10,000,000;

(F) for "International Military Education and Training", $2,000,000 to carry out the provisions of section 541 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347).

(F) for "Foreign Military Financing Program", $300,000,000 grants to carry out the provisions of section 23 of the Arms Export Control Act (22 U.S.C. 2768).

(2) OTHER FUNDS.—Amounts authorized to be appropriated under this subsection are in addition to amounts otherwise available for such purposes.

SEC. 233. SAUDI ARABIA.

(a) FINDINGS.—Congress makes the following findings:

(1) The Kingdom of Saudi Arabia has an uneven record in the fight against terrorism, especially with respect to terrorist financiers, despite some limited American efforts to persuade the Saudi government to support U.S. efforts to deny support for radicals, and a lack of political outlets for its citizens, that poses a threat to the security of the United States, the international community, and the interests of the United States in the region.

(2) The United States has a national security interest in working with the Government of Saudi Arabia to combat international terrorism, promote democracy and human rights throughout the region, that nation or that operate outside Saudi Arabia with the support of citizens of Saudi Arabia.
Title III — Protection from Terrorist Attacks that Utilize Nuclear, Chemical, Biological, and Radiological Weapons

Subtitle A — Non-Proliferation Programs

Section 301. Repeal of limitations to threat reduction assistance

Section 5 of S. 2980 of the 108th Congress (the "Nunn-Lugar Cooperative Threat Reduction Act of 2004"), as introduced on November 16, 2004, is hereby enacted into law.

Section 302. Use of Russian nuclear facilities

(a) In General.—The Secretary of Energy shall work with the Minister of Atomic Energy of the Russian Federation to counteract Russian efforts to use nuclear facilities in violation of the nuclear nonproliferation treaties, the Nuclear Non-Proliferation Treaty, the Biological and Toxin Weapons Convention, and other international agreements and treaties on the nonproliferation of nuclear weapons.

(b) Designation of Facilities.—The Secretary of Energy and the Minister of Atomic Energy of the Russian Federation shall jointly designate nuclear facilities that are necessary to prevent the proliferation of nuclear weapons.

Section 303. Additional assistance to accelerate non-proliferation programs

(a) Authorization of appropriations for the Department of Defense.—There is authorized to be appropriated to the Department of Defense $50,000,000 for fiscal year 2006 for Cooperative Threat Reduction Activities as follows:

(1) To accelerate security upgrades at warhead storage sites located in Russia or another country of the former Soviet Union, $10,000,000.

(2) To accelerate security upgrades at warhead storage sites located in countries other than the countries of the former Soviet Union, $10,000,000.

Section 304. Additional assistance to accelerate non-proliferation programs

(a) Authorization of appropriations for the Department of Defense.—There is authorized to be appropriated to the Department of Defense $60,000,000 to carry out this section, of which—

(1) Not later than six months after the enactment of this Act, the President shall submit to Congress a report setting forth the following:

(i) An assessment of the number, location, condition, and security of Russian tactical nuclear weapons.

(ii) An assessment of the threat that would be posed by the theft of Russian tactical nuclear weapons.

(iii) A plan for developing with Russia a cooperative program to dismantle, and, as appropriate, dismantle Russian tactical nuclear weapons.

(b) Program.—The Secretary of Defense and the Secretary of Energy shall jointly work with Russia to establish a cooperative program, based on the report submitted under this subsection, to secure or destroy, as appropriate, dismantle Russian tactical nuclear weapons in order to achieve reductions in the total number of Russian tactical nuclear weapons.

(c) Authorization of Appropriations.—

(1) Department of Defense.—There is authorized to be appropriated to the Department of Defense, $25,000,000 to carry out this section.

(2) Department of Energy.—There is authorized to be appropriated for the Department of Energy, $25,000,000 to carry out this section.
authorized to be appropriated to the Department of Energy $95,000,000 for fiscal year 2006 for nonproliferation activities of the National Nuclear Security Administration as follows:

(1) To accelerate the Global Threat Reduction Initiative, $20,000,000.

(2) To accelerate security upgrades at warhead storage sites located in Russia or any other country of the former Soviet Union, $15,000,000.

(3) To accelerate the closure of the plutonium producing reactor at Zheleznogorsk, Russia as part of the program to eliminate weapons grade plutonium production, $25,000,000.

(4) To accelerate completion of comprehensive security upgrades at Russian storage sites for weapons-usable nuclear materials, $15,000,000.

(c) AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF STATE.—

(1) IN GENERAL.—There is authorized to be appropriated to the Department of State $25,000,000 for fiscal year 2006 for nonproliferation activities as follows:

(A) To accelerate engagement of former chemical and biological weapons scientists in Russia as part of the former Soviet Union through the Bio-Chem Redirect Program, $15,000,000.

(B) To enhance efforts to combat terrorism by transforming the former Soviet biological weapons research and production facilities to commercial enterprises through the BioIndustry Initiative, $10,000,000.

(2) AVAILABILITY OF FUND.—The amount authorized to be appropriated by paragraph (1) shall remain available until expended.

SEC. 305. ADDITIONAL ASSISTANCE TO THE INTERNATIONAL ATOMIC ENERGY AGENCY.

There is authorized to be appropriated to the Department of Energy $20,000,000 for fiscal year 2006 to be used to provide technical and other assistance to the International Atomic Energy Agency to support nonproliferation programs. Such amount is in addition to amounts otherwise available for such purpose.

Subtitle B—Border Protection

SEC. 311. FINDINGS.

Congress makes the following findings:

(1) More than 500,000 people cross the borders of the United States at legal points of entry each year, including approximately 330,000 people who are not citizens of the United States.

(2) The National Commission on Terrorist Attacks Upon the United States found that 15 of the 19 hijackers involved in the September 11, 2001 terrorist attacks were "potentially vulnerable to interception by border authorities".

(3) Officials with the Bureau of Customs and Border Protection and with the Bureau of Immigration and Customs Enforcement have stated that there is a shortage of agents in the Bureau. Due to the inadequate budget, the Bureau of Immigration and Customs Enforcement has effected a hiring freeze since March 2004, and the Bureau has not made public any plans to end this freeze.

SEC. 312. HIRING AND TRAINING OF BORDER SECURITY PERSONNEL.

(a) INSPECTORS AND AGENTS.—During each of fiscal years 2005 through 2008, the Under Secretary shall—

(1) increase the number of full-time inspec tors and associated support staff in the Bureau of Customs and Border Protection by the equivalent of at least 200 more agents and 100 more support staff in the Bureau as of the end of the preceding fiscal year; and

(b) increase the number of full-time inspectors and associated support staff in the Bureau of Customs and Border Protection by the equivalent of at least 200 more inspectors and 100 more support staff in the Bureau as of the end of the preceding fiscal year.

(2) WAIVER OF FTE LIMITATION.—The Under Secretary is authorized to waive any limita tion to the number of FTE personnel assigned to the Department of Homeland Security to fulfill the requirements of paragraph (1).

(b) TRAINING.—The Under Secretary shall provide appropriate training for agents, inspectors, and associated support staff on an ongoing basis within the United States and to ensure that the proficiency levels of such personnel are acceptable to protect the borders of the United States.

Subtitle C—Seaport Protection

SEC. 321. FINDINGS.

Congress makes the following findings:

(1) The United States port system is a vital artery of the economy of the United States. Almost 95 percent of all foreign trade passes through one or more of the 361 ports in the United States. Such seaports handle more than 2,000,000,000 tons of domestic and international trade each year, which has a value of more than $740,000,000. The shipment of cargo in vessels creates employment for hundreds of thousands of people in the United States each year, less than 1⁄30 of which may be off-loaded at a port.

(2) Although 6,000,000 cargo containers, each a possible hiding place for a bomb or another weapon, are off-loaded at ports in the United States each year, less than 1⁄30 of these contain explosive materials. A container ship can carry as many as 30,000 containers, each one weighing up to 45,000 pounds, hundreds of which may be off-loaded at a port.

(3) The United States Coast Guard has estimated that the maritime security require ments set for ports by the Maritime Transportation Security Act of 2002 (Public Law 107-295; 116 Stat. 2041), which are critical to protecting United States ports from a nuclear terrorist attack, will cost $3,400,000,000 to implement over a 10-year period.

(4) The United States Coast Guard has estimated that the maritime security requirements set for ports by the Maritime Transportation Security Act of 2002 (Public Law 107-295; 116 Stat. 2041), which are critical to protecting United States ports from a nuclear terrorist attack, will cost $3,400,000,000 to implement over a 10-year period.

SEC. 322. PORT SECURITY Grant FUNDING.
Section 70107(h) of title 46, United States Code, is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out subsections (a) through (g) $5,000,000 for fiscal year 2006; $7,500,000 for fiscal year 2007; $3,000,000 for fiscal year 2008; $3,150,000 for fiscal year 2009; and such sums as shall be necessary for each fiscal year after fiscal year 2009.

SEC. 325. DEPLOYMENT OF RADIATION DETECTION PORTAL EQUIPMENT; INTEGRATED CARGO INSPECTION SYSTEM.

(a) IN GENERAL.—Subtitle C of title IV of the Homeland Security Act of 2002 (6 U.S.C. 231 et seq.) is amended by adding at the end the following new section:

"SEC. 431. DETECTION OF NUCLEAR MATERIAL AT UNITED STATES SEAPORTS.

"(a) DEPLOYMENT OF RADIATION DETECTION PORTAL EQUIPMENT.—

(1) DEPLOYMENT.—Not later than September 30, 2006, the Undersecretary for Border and Transportation Security shall deploy radiation detection portal equipment at all United States seaports of entry, and major facilities as determined by the Undersecretary.

(2) REPORT.—Not later than December 31, 2005, the Undersecretary shall submit to the appropriate congressional committees a report on the implementation of the requirements of this paragraph.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Undersecretary $217,000,000 for fiscal year 2006 for the deployment of the equipment described in this subsection.

(b) INTEGRATED CARGO INSPECTION SYSTEM.—

(1) PLAN.—The Undersecretary for Border and Transportation Security shall develop a plan to integrate radiation detection portal equipment with gamma-ray inspection technology equipment at United States seaports. The Undersecretary shall participate in the Container Security Initiative in order to facilitate the detection of nuclear weapons in maritime cargo containers. Such plan shall include methods for automatic identification of containers and vehicles for inspection in a timely manner and a data sharing network capable of transmitting gamma-ray images and cargo data among relevant ports and the National Targeting Center of the Bureau of Customs and Border Protection.

(2) REPORT.—Not later than 180 days after the date of the enactment of the Targeting Terrorists More Effectively Act of 2005, the Undersecretary for Border and Transportation Security shall submit to the appropriate congressional committees a report that contains—

(A) a description of the plan developed under paragraph (1) of this subsection; Infra structure improvements required at the seaports involved;

(B) an estimate of the costs associated with implementation of the plan; and

(C) an estimate of the timeframe for implementation of the plan.

SEC. 324. ACCELERATION OF THE MEGAPORTS INITIATIVE.

(a) DEPLOYMENT.—Not later than September 30, 2007, the Administrator of the National Nuclear Security Administration shall—

complete agreements under the Megaports Initiative of the Office of International Material Nonproliferation and Coopera tion with each country that possesses one or more nuclear weapons, and

(b) develop physical standards intended to prevent terrorists from placing a weapon of mass destruction in or on a tanker vessel without detection; and

(b) ELEMENTS.—To carry out the Tanker Security Initiative the Secretary of Homeland Security may—

(1) develop physical standards intended to prevent terrorists from placing a weapon of mass destruction in or on a tanker vessel without detection; and

(2) deploy radiation portal monitoring equipment at each seaport under an agreement described in subsection (a)(1).

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator such funds as are necessary to carry out the provisions of this section.

SEC. 325. TANKER SECURITY INITIATIVE.

(a) ESTABLISHMENT.—The Secretary of Homeland Security shall establish a Tanker Security Initiative to promulgate and enforce international standards and carry out activities to ensure that tanker vessels that transport oil, natural gas, or other materials are not used by terrorists or as carriers of weapons of mass destruction.

(b) ELEMENTS.—To carry out the Tanker Security Initiative the Secretary of Homeland Security may—

(1) establish international standards and carry out activities to ensure that tanker vessels that transport oil, natural gas, or other materials are not used by terrorists or as carriers of weapons of mass destruction;
the high seas, or in United States port of entry; and
(4) carry out research and development of sensing devices to detect any nuclear device that is placed in or on a tanker vessel; and
(5) provide assistance to a foreign country to assist such country in carrying out any provisions of the Tanker Security Initiative.
O CONGRESS makes the following findings:
(1) In a report entitled “Emergency First Responders: Prudentially Underfunded, Dangerously Unprepared”, an independent task force sponsored by the Council on Foreign Relations found that “America’s local emergency officials, who are always the first to confront a terrorist incident and play the central role in managing its immediate consequences. Their efforts in the first minutes and hours following an attack will be critical to saving lives, establishing order, and preventing mass panic. The United States has a critical responsibility and legal
tical to provide them with the equipment, training, and other resources necessary to do their jobs safely and effectively.”
(2) The task force further concluded that many state and local emergency responders, including police officers and firefighters, lack the equipment and training needed to respond effectively to a terrorist attack involving weapons of mass destruction.
(3) The Federal Government has a responsibility to provide leadership in addressing the threats our nation faces—threats that have, and will continue to, evolve. Following the terrorist attacks of September 11, 2001, the Federal Government has a critical responsibility to address the equipment, training, and other needs of local government, Indian tribal governments, and to other public and private entities for those respective purposes.
(4) The Edward Byrne Memorial Justice Assistance Grant Program, a program that resulted from the combination of the Edward Byrne Memorial Grant Program and the Local Law Enforcement Block Grant Program.
(5) Funding for the Edward Byrne Memorial Justice Assistance Grant Program, as provided in the Consolidated Appropriations Act of 2005, has been reduced by nearly 50 percent since fiscal year 2002.
(6) In paragraph (10) by striking “and” at the end of
(7) by adding at the end the following:
"(A) develop new and innovative programs (such as the TRIAD program) that bring together a community’s sheriff, chief of police, and elderly residents to address the public safety concerns of older citizens.; and
(b) by inserting “up to 5 percent of the funds appropriated under subsection (a)” to (B) by inserting at the end subsection (a) after “The Attorney General shall”;
(B) by inserting “regional community policing initiatives” after “operation of”;
(C) by inserting “representatives of police labor and management organizations, community residents, after supervisors.”;
(e) by inserting “regional community policing initiatives” after “operation of”;
(f) by inserting “representatives of police labor and management organizations, community residents,” after “supervisors.”;
(g) by deleting sections (i), (j), and (k) and redesignating the remaining sections as (i) through (k) and inserting in their stead the following:
"(e) LAW ENFORCEMENT TECHNOLOGY PROGRAM.—Grants made under subsection (a) may be used to assist police departments, in employing professional, scientific, and technological advancements that will help them—
(1) improve police communications through the use of wireless communications, and other hardware and software that allow law enforcement agencies to communicate more effectively across jurisdictional boundaries.
(2) develop and improve access to crime solving technologies, including DNA analysis, photo enhancement, voice recognition, and other forensic capabilities; and
(3) promote comprehensive crime analysis by utilizing new techniques and technologies, such as crime mapping, that allow law enforcement agencies to use real-time crime and arrest data and other related information—including non-criminal justice data—to improve their ability to analyze, respond, and respond to local crime and disorder problems, as well as to engage in regional crime analysis.
"(f) COMMUNITY-BASED PROSECUTION PROGRAM.—Grants made under subsection (a) may be used to assist State, local or tribal prosecutors’ offices in the implementation of community-based prosecution programs that build on local community policing efforts. Funds made available under this subsection may be used to—

(1) hire additional prosecutors who will be assigned to community prosecution programs, including programs that assign prosecutors to handle cases from specific geographic areas, to address specific violent crime and other local crime problems (including intensive illegal gang, gun and drug enforcement projects and quality of life initiatives), and to respond to priority crime problems in a community with specifically tailored solutions.

At least 75 percent of the funds made available under this paragraph shall be reserved for grants under paragraphs (1) and (2) and of those amounts no more than 10 percent may be used for grants under paragraph (2) and at least 25 percent of the funds shall be reserved for grants under paragraphs (1) and (2) to units of local government with a population of less than 50,000.

(f) RENTON GRANTS.—Section 1703 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd–2) is amended by inserting at the end the following:

“(d) RENTON GRANTS.—The Attorney General may use no more than 50 percent of the funds under subsection (a) to award grants targeted specifically for retention of police officers to grantees in good standing, with preference to those that demonstrate financial hardship or severe budget constraints that may result in the termination of employment of police officers funded under subsection (b)(1).

(2) SCHOOL RESOURCE OFFICER.—Section 1709(a)(1) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd–3) is amended by inserting at the end of clause (1) the following:—

“(A) to serve as a law enforcement liaison with other Federal, State, and local law enforcement and regulatory agencies, to address and document crime and disorder problems including gangs and drug activities, and firearms and explosives-related incidents, and the illegal use and possession of alcohol affecting or occurring in or around an elementary or secondary school;—

(B) by striking paragraph (E) and inserting the following:—

“(E) to train students in conflict resolution, law enforcement, emergency medical personnel, and to provide assistance to and coordinate with other officers, mental health professionals, and youth counselors who are responsible for the implementation of prevention/intervention programs within the schools;—

(2) by striking paragraph (B) and inserting in its place—

“(B) by administering at the end the following:—

“(H) to work with school administrators, members of the local parent teacher associations, community organizers, law enforcement, fire department, and emergency medical personnel in the creation, review, and implementation of a school violence prevention plan;—

“(I) by assisting in documenting the full description of all firearms found or taken into custody on school property and to initiate a firearms trace and ballistics examination for each firearm with the local office of the Bureau of Alcohol, Tobacco, and Firearms;—

“(J) to document the full description of all explosive devices found or public and private, or taken into custody on school property and report to the local office of the Bureau of Alcohol, Tobacco, and Firearms; and—

“(K) to assist school administrators with the preparation of the Department of Education, Annual Report on State Implementation of the Gun-Free Schools Act which tracks the number of expulsions per year for bringing a weapon, firearm, or explosive to school.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1001(a)(11) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793a(a)(11)) is amended—

(1) by amending subparagraph (A) to read as follows:

“(A) There are authorized to be appropriated $1,150,000,000 for fiscal year 2006;—

“(B) in subparagraph (B) by striking $1,150,000,000 for fiscal year 2007;—

“(C) in subparagraph (B) by striking $1,150,000,000 for fiscal year 2008;—

“(D) in subparagraph (B) by striking $1,150,000,000 for fiscal year 2009;—

“(E) in subparagraph (B) by striking $1,150,000,000 for fiscal year 2010;—

“(F) in subparagraph (B) by striking $1,150,000,000 for fiscal year 2011;—

(2) in subparagraph (B) by striking 3 percent and inserting 5 percent;—

(3) by striking “(1)” and inserting “(1)(A);—

(4) by striking “(1)(B)” and inserting “(1)(B)(i);—

(5) by amending subparagraphs (A) and (B) of section 1705(b)(1) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796bb–1) to read as follows:

“(A) SET-ASIDE FOR INDIAN TRIBES.—

(I) in general.—The Secretary shall reserve 1 percent of the amount appropriated for grants pursuant to this section to be used for grants to Indian tribes.

(J) SELECTION OF INDIAN TRIBES.—

(I) in general.—The Secretary shall award grants to Indian tribes on the basis of a competition conducted pursuant to specific criteria.

(II) RULEMAKING.—The criteria under subparagraph (I) shall be contained in a regulation promulgated by the Secretary after notice and public comment.

(B) SET-ASIDE FOR RURAL STATES.—

(I) in general.—The Secretary shall reserve 5 percent of the amount appropriated for grants pursuant to this section to be used for grants to rural States.

(J) SELECTION OF RURAL STATES.—

(I) in general.—The Secretary shall award grants under this paragraph to rural States (as defined in section 1501(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793a(b)));—

(II) MINIMUM AMOUNT.—The Secretary shall allocate, from the total amount appropriated for grants to States under this subsection—

(I) not less than 0.75 percent for each State;—

(II) not less than 0.25 percent for American Samoa, Guam, the Northern Mariana Islands, and the United States Virgin Islands, respectively.

(D) ALLOCATION TO METROPOLITAN CITIES AND URBAN COUNTIES.—The balance of the total amount appropriated for grants to States under this subsection after allocation to Indian tribes and rural States, and the minimum amount to each State pursuant to subparagraphs (A) through
(C), shall be allocated by the Secretary to metropolitan cities and urban counties pursuant to subparagraphs (E) and (F).

(E) COMPUTATION OF AMOUNT ALLOCATED TO METROPOLITAN CITIES—

(i) COMPUTATION RATIOS.—The Secretary shall determine the amount to be allocated to each metropolitan city, which shall bear the same allocation for metropolitan cities as the weighted average of—

(I) the population of the metropolitan city divided by the population of all metropolitan cities;

(II) the potential chemical security risk of the metropolitan city divided by the potential chemical security risk of all metropolitan cities;

(III) the proximity of the metropolitan city to the nearest operating nuclear power plant compared to the proximity of all metropolitan cities to the nearest operating nuclear power plant to each such city;

(IV) the proximity of the metropolitan cities to the nearest United States land or water port compared with the proximity of all metropolitan cities to the nearest United States land or water port to each such city; and

(V) the proximity of the urban county to the nearest international border compared with the proximity of all urban counties to the nearest international border to each such county.

(ii) RELATIVE WEIGHT OF FACTOR.—In determining the average of the ratios under clause (i), the ratio involving population shall constitute 50 percent of the formula in calculating the allocation and the remaining factors shall be equally weighted.

(ii) POTENTIAL CHEMICAL SECURITY RISK.—If a metropolitan city is within a vulnerable zone of a worst-case chemical release (as specified in the most recent risk management plans filed with the Environmental Protection Agency, or another instrument developed by the Environmental Protection Agency or the Homeland Security Department in the same form for the same facilities), the ratio under clause (i)(II) shall be 1 divided by the total number of metropolitan cities that are within such a zone.

(iii) PROXIMITY AS IT PERTAINS TO NUCLEAR SECURITY.—If a metropolitan city is located within 50 miles of 1 of the 100 largest United States ports (as stated by the Department of Transportation, Bureau of Transportation Statistics, United States Port Report by All Land Modes), or within 50 miles of 1 of the 30 largest United States water ports by metrics and tons and value (as stated by the Department of Transportation, Maritime Administration, United States Foreign Waterborne Transportation Statistics), the ratio under clause (i)(IV) shall be 1 divided by the total number of metropolitan cities that are located within 50 miles of a United States land or water port.

(iv) PROXIMITY TO INTERNATIONAL BORDER.—If a metropolitan city is located within 50 miles of an international border, the ratio under clause (i)(V) shall be 1 divided by the total number of metropolitan cities that are located within 50 miles of an international border.

(V) PROXIMITY TO DISASTER MEDICAL ASSISTANCE TEAM.—If an urban county is located within 50 miles of a DMAT, as organized by the National Disaster Medical System, the ratio under clause (i)(VI) shall be 1 divided by the total number of urban counties that are located within 50 miles of a DMAT.

(F) COMPUTATION OF AMOUNT ALLOCATED TO URBAN COUNTIES—

(i) COMPUTATION RATIOS.—The Secretary shall determine the amount to be allocated to each urban county, which shall bear the same ratio to the allocation for all urban counties as the weighted average of—

(I) the population of the urban county divided by the population of all urban counties;

(II) the potential chemical security risk of the urban county divided by the potential chemical security risk of all urban counties;

(III) the proximity of the urban county to the nearest operating nuclear power plant compared to the proximity of all urban counties to the nearest operating nuclear power plant to each such county.

(iv) the proximity of the urban county to the nearest United States land or water port compared with the proximity of all urban counties to the nearest United States land or water port to each such county;

(v) the proximity of the urban county to the nearest international border compared with the proximity of all urban counties to the nearest international border to each such county; and

(vi) the proximity of the urban county to the nearest Disaster Medical Assistance Team compared with the proximity of all urban counties to the nearest DMAT to each such county.

(ii) RELATIVE WEIGHT OF FACTOR.—In determining the average of the ratios under clause (i), the ratio involving population shall constitute 50 percent of the formula in calculating the allocation and the remaining factors shall be equally weighted.

(iii) POTENTIAL CHEMICAL SECURITY RISK.—If an urban county is within a vulnerable zone of a worst-case chemical release (as specified in the most recent risk management plans filed with the Environmental Protection Agency, or another instrument developed by the Environmental Protection Agency or the Homeland Security Department in the same form for the same facilities), the ratio under clause (i)(II) shall be 1 divided by the total number of urban counties that are within such a zone.

(iv) PROXIMITY AS IT PERTAINS TO NUCLEAR SECURITY.—If an urban county is located within 50 miles of an operating nuclear power plant (as identified by the Nuclear Regulatory Commission), the ratio under clause (i)(III) shall be 1 divided by the total number of metropolitan cities, not to exceed 100, which are located within 50 miles of an operating nuclear power plant.

(v) PROXIMITY AS IT PERTAINS TO PORT SECURITY.—If an urban county is located within 50 miles of 1 of the 100 largest United States ports (as stated by the Department of Transportation, Bureau of Transportation Statistics, United States Port Report by All Land Modes), or within 50 miles of 1 of the 30 largest United States water ports by metrics and tons and value (as stated by the Department of Transportation, Maritime Administration, United States Foreign Waterborne Transportation Statistics), the ratio under clause (i)(IV) shall be 1 divided by the total number of urban counties that are located within 50 miles of an operating nuclear power plant.

(vi) PROXIMITY AS IT PERTAINS TO PORT SECURITY.—If an urban county is located within 50 miles of an operating nuclear power plant (as identified by the Nuclear Regulatory Commission), the ratio under clause (i)(V) shall be 1 divided by the total number of urban counties, not to exceed 100, which are located within 50 miles of an operating nuclear power plant.

(vii) PROXIMITY TO DISASTER MEDICAL ASSISTANCE TEAM.—If an urban county is located within 50 miles of a DMAT, as organized by the National Disaster Medical System, the ratio under clause (i)(VI) shall be 1 divided by the total number of urban counties that are located within 50 miles of a DMAT.

(G) EXCLUSIONS.—

(i) IN GENERAL.—In computing amounts or exclusions under subparagraph (F) with respect to any urban county, units of general local government located in the county shall be excluded if the populations of such units are not counted to determine the eligibility of the urban county to receive a grant under this paragraph.

(ii) INDEPENDENT CITIES.—

(aa) is not part of any county;

(bb) is not eligible for a grant;

(cc) is contiguous to the urban county;

(dd) has entered into cooperation agreements with the urban county which provide that the urban county is to assist in the implementation of essential community development and housing assistance activities with respect to such independent city; and

(ee) is not included as a part of any other unit of general local government for purposes of this section.

(iii) LIMITATION.—Any independent city that is included in the computation under subparagraph (I) shall not be eligible to receive assistance under this paragraph for the fiscal year for which such computation is used to allocate such assistance.

(H) INCLUSION.—

(i) LOCAL GOVERNMENT STRADDLING COUNTY LINE.—In computing amounts or exclusions under subparagraph (F) with respect to any county, all of the area of any unit of local government shall be included, which is part of, but is not located entirely within the boundaries of, such urban county.

(ii) INCLUSION.—Any part of such unit of local government that is within the boundaries of such urban county would otherwise be included in computing the amount for such urban county under this subsection; and

(iii) INCLUSION.—Any part of such unit of local government that is not within the boundaries of such urban county is not included as a part of any other unit of local government for the purpose of this subsection.

(i) USE OF GRANT FUNDS OUTSIDE URBAN COUNTY.—Any amount received under this section by an urban county described under clause (i) may be used with respect to the part of such unit of local government that is outside the boundaries of such urban county.

(2) POPULATION.—

(i) EFFECT OF CONSOLIDATION.—Where data are available, the amount to be allocated to a metropolitan city that has been formed by the consolidation of 1 or more metropolitan cities within an urban county shall be equal to the sum of the amounts that would have been allocated to the urban county or cities and the balance of the consolidated government if such consolidation had not occurred.

(ii) LIMITATION.—Clause (i) shall apply only to a consolidation that—
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(1) Included all metropolitan cities that received grants under this section for the fiscal year preceding such consolidation and that were located within the urban county;

(2) More urban county that received a grant under this section for the fiscal year preceding such consolidation; and

(3) Took place on or after January 1, 2005.

The definition of "urban county" shall be based on the population rate of all metropolitan cities defined in this section and shall include any area that was an urban county before its incorporation into consolidated governments.

(b) Aggregate Amount Per State.—A State, together with the grantees within the State, may not receive more than 20 percent of the total amount appropriated for grants under this section.

(c) Matching Funds.—(A) In General.—The portion of the costs of a program that is covered by a grant under paragraph (1) may not exceed 90 percent.

(B) Waiver.—If the Secretary determines that a grantee is experiencing financial hardship, the Secretary may waive, in whole or in part, the matching requirement under subparagraph (A).

(d) Application.—(1) In General.—To request a grant under this section, the chief executive of a State, unit of local government, or Indian tribe must submit an application to the Secretary in such form and containing such information as the Secretary may reasonably require.

(2) Regulations.—Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury shall, by rule, implement regulations to address the requirements of this subsection.

(e) Authorization of Appropriations.—There are appropriated $5,000,000,000 for fiscal year 2006 to carry out this section.

TITLIE IV—PROTECTING TAXPAYERS

SEC. 401. REPORTS ON METRICS FOR MEASURING SUCCESS IN GLOBAL WAR ON TERRORISM.

(a) Requirement for Reports.—The Comptroller General of the United States shall submit to Congress reports on the metrics for use in tracking and measuring acts of global terrorism, international counterterrorism efforts, and the success of United States counterterrorism policies and practices, including specific, replicable definitions, criteria, and standards of measurement to be used for the following:

(1) Counting and categorizing acts of global terrorism;

(2) Monitoring counterterrorism efforts of foreign governments;

(3) Monitoring financial support provided to terrorist organizations; and

(4) Assessing the success of United States counterterrorism policies and practices.

(b) Schedule of Reports.—The Comptroller General shall submit to Congress an initial report under subsection (a) not later than 1 year after the date of enactment of this Act and a second report not later than 1 year after the date on which the initial report is submitted.

SEC. 402. PROHIBITION ON WAR PROFITTING.

(a) Findings.—Congress makes the following findings:

(1) War profiteering, the overcharging of taxpayers for any good or service with the specific intent to excessively profit from a conflict or recession, not only defrauds taxpayers in the United States, but also threatens the safety of United States troops in harms way by hindering reconstruction efforts, damaging the credibility of the United States, and wasting resources that could be used for troop protection.

(2) Laws prohibiting fraud protect against waste of tax dollars resulting from war profiteering during conflicts in foreign countries.

(3) War profiteers have hindered United States efforts to secure and reconstruct Iraq.

(b) Prohibition on Profiteering.—(1) Prohibitions.—(A) In General.—Chapter 47 of title 18, United States Code, is amended by adding at the end the following:

"§ 1088. War profiteering and fraud relating to military action, relief, and reconstruction efforts

(1) Prohibited.—(A) In general.—Whoever, in any matter involving a contract or the provision of goods or services, directly or indirectly, in connection with the war, military action, or relief or reconstruction activities, knowingly and willfully:

(1) executes or attempts to execute a scheme or artifice to defraud the United States;

(2) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;

(3) makes any materially false, fictitious, or fraudulent statement or representation, or makes or uses any materially false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; or

(4) materially overvalues any good or service with the specific intent to excessively profit from the war, military action, or relief or reconstruction activities;

shall be fined under paragraph (2), imprisoned not more than 20 years, or both.

(2) Venue.—A prosecution for an offense under this section may be—

"(1) as authorized by chapter 211 of this title;

"(2) in any district where any act in furtherance of the offense took place; or

"(3) in any district where any party to the contract or provider of goods or services is located."

(c) Table of Sections.—The table of sections for chapter 47 of title 18, United States Code, is amended by adding at the end the following:

"1088. War profiteering and fraud relating to military action, relief, and reconstruction efforts."

(d) Civil Forfeiture.—Section 981(a)(1)(C) of title 18, United States Code, is amended by inserting "1088."

(e) Money Laundering.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting "section 1088 relating to war profiteering and fraud relating to military action, relief, and reconstruction efforts," after "liquidating agent of financial institution.

(f) Relationship to Existing Law.—This section shall not limit or repeal any additional authorities provided by law.

(g) Effective Date of Amendments.—The amendments made by this section shall be effective during the 7-year period beginning on the date of enactment of this Act.

By Mr. AKAKA (for himself, Mr. REID, Ms. MIKULSKI, Ms. STABENOW, Mr. INOUYE, Mr. DORGAN, Mr. LAUTENBERG, Mr. LEAHY, Mr. SALAZAR, Mr. ROCKEFELLER, Ms. BINGAMAN, Mrs. FEINSTEIN, Mr. DURBIN, Mr. KENNEDY, Mr. CORZINE, Mr. PFEYOR, Mr. SCHUMER, Mr. SARRANES, and Mr. DAYTON):

S. 13. A bill to amend titles 10 and 38, United States Code, to expand and enhance health care, mental health, transition, and disability benefits for veterans, and for other purposes; to the Committee on Veterans’ Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce a bill that would make sweeping changes to the way the Department of Veterans Affairs (VA) delivers health care and benefits to our nation’s veterans. S. 13 would, among other things, guarantee full funding for VA health care, provide for full concurrent receipt, enhance mental health care services, and ease the transition from military service to civilian life.

This bill would mean that the 115,000 veterans who choose to make Hawaii their home would be assured the services they have earned. The nearly 18,000 veterans who avail themselves of VA health care in Honolulu, Hawaii,
Kauai, and Maui would not have to worry if resources for doctors and nurses will materialize next year.

And because so many of our reservists and Guardsmen are being deployed for the current wars in Iraq and Afghanistan, this bill will help ensure they get the care they need upon their return.

Every year the President sends forward his budget proposal to Congress, and every year we go through the same battles to get VA health care the money it deserves to serve its veteran patients. The time has come to approach this process more rationally. This legislation would ensure full funding for VA health care by simply changing the way funds are allocated. To be perfectly clear, this bill merely shifts money already being allocated over to a more reliable mechanism.

The American Legion, the Disabled American Veterans, and the Veterans of Foreign Wars support this approach to fully fund the veterans health care system.

These three organizations—representing more than 7 million military veterans—rightly believe that veterans have earned the right to VA medical care through their “extraordinary sacrifices and service to this Nation.” We have seen huge numbers of veterans seeking VA care for the first time. I, for one, believe this is a good thing. Others rationalize that as we are at war, we must cut back on VA care. I simply do not understand this logic. We are at war, and therefore we must do everything we can to show our military that VA health care will be there for all veterans who served. To accomplish this goal, we must change the way VA health care is funded.

Although we have continued to make progress on eliminating the long-standing injustice that has affected our disabled military retirees’ retirement pay, we still have work to do.

S. 13 will correct this unfairness by allowing all disabled military retirees to collect both their full military retirement and VA disability pay concurrently.

Most military retirees who have a service-connected disability are not permitted to collect both their retirement and disability benefits concurrently. Military retired pay is the promised reward for 20 or more years of uniformed service and is based on length of service. VA disability compensation is unrelated to length of service and is intended to compensate a veteran for a service-connected loss of function.

In order to continue to recruit and retain quality soldiers, sailors, airmen and marines, we must pay attention not only to the present, but also to the future. George Washington said:

The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional to how they perceive the Veterans of earlier wars were treated and appreciated by their nation.

Our disabled military retirees deserve to receive the retirement pay that they earned and be compensated for their service-connected disabilities. Our young people will wear the uniforms of our Armed Forces only if they believe their service is appreciated and compensated accordingly.

Along these lines, S. 13 also seeks to ensure that veterans and returning service members can receive the mental health care they might need as a result of their service. The legislation requires that at least one psychiatrist and treatment team at each medical center that does not currently have one. This legislation would also mandate that VA carry out a community outreach program to let Operation Iraqi Freedom and Operation Enduring Freedom veterans know about the services available to them at VA.

Why is good VA mental health care so important?

Because so often battle wounds do not manifest in physical illness, but in quiet and equally debilitating mental illness. These wounds are revealed as post-traumatic stress disorder with effects that linger and symptoms that can be brought on years after combat. While heart disease and hypertension are perhaps not as seriously afflicting vast numbers of veterans, mental illness is not far behind. It might surprise some of my colleagues to know that cancer and depression affect roughly the same number of veterans. But is VA reaching and treating all veterans who need care? This remains very much an open question.

This legislation also seeks to improve access to needed prescription drugs. Many veterans have expressed their desire to bring prescriptions from their Medicare doctors to VA pharmacies to get them filled. Current VA policy requires that nearly all veterans see a VA doctor before such prescriptions are issued. This does not make sense.

The Department’s inspector general testified that VA could save savings of $1 billion a year if veterans were allowed to bring their outside prescriptions, because it would obviate the need for VA to re-diagnose patients and then re-issue prescriptions that have already been written. S. 13 would allow these veterans to get their prescriptions filled by VA at prices that are far better than in the private sector.

This legislation would be the best way to help veterans with their education. S. 13 would exclude MGIB benefits from computation as income when calculating campus based aid, such as Perkins loans. This draws the distinction between a benefit that has been earned, and paid for, by the veterans, and other types of income. This allows the individual applying for financial aid to subtract $1,200 from the expected family contribution for 1 year. This $1,200 represents the money that the individual paid to participate in the MGIB program.

S. 13 also offers an opportunity for enrollment in the MGIB education program for servicemembers who participated in or were eligible to participate in the post-Vietnam era educational assistance program, known as VEAP. This bill would create a 1-year window and requires the individual to pay $2,700, which was the VEAP contribution.

Last year, Congress extended the period of eligibility for education benefits for survivors of servicemembers who were killed during active duty. We would like to further extend this legislation to our other dependents. The 10-year period of eligibility would not begin to toll until they began to use the benefit, rather than when they became eligible for the benefit.

Overall, this is a bill to spur dialogue started on the issues that are truly important to our Nation’s veterans.

We all need to work harder towards the goal of seeing that the promises made to the men and women who are serving today are kept; that their sacrifices were not in vain.

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. 13

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

TITLE I—HEALTH CARE MATTERS

SEC. 100. FINDINGS.

Congress makes the following findings:

(1) The three largest veterans advocacy groups, the Disabled American Veterans, the American Legion, and the Veterans of Foreign Wars, have called upon Congress to extend the education benefits for veteransหมด 1966 to 2005.

(2) The May 2003 report of The President’s Task Force To Improve Health Care Delivery for Our Nation’s Veterans found that “there is a significant mismatch in VA between demand and available funding—an imbalance that . . . if unresolved, will delay veterans’ access to care and could threaten the quality of VA health care.”

(3) Under the current funding process, the VA has experienced billion-dollar shortfalls for the past several years, resulting in waiting lists several months long for appointments with physicians, a substantial disability claims backlog, and policies designed to prevent veterans from obtaining the care they were promised.

Subtitle A—Funding Matters

SEC. 101. FUNDING TO ADDRESS CHANGES IN POPULATION AND INFLATION.

(a) In GENERAL.—Chapter 17 of title 38, United States Code, is amended by inserting after section 1706 the following new section:

"§ 1706A. Management of health care; funding to address changes in population and inflation.

"(a) By the enactment of this section, Congress and the President intend to ensure access to health care for all veterans. Upon the
enactment of this section, funding for the programs, functions, and activities of the Veterans Health Administration specified in subsection (d) to accomplish this objective shall be the product of a combination of discretionary and mandatory funds. The discretionary amount should be equal to the fiscal year amounts adjusted according to the formula specified in subsection (c). While this section does not purport to control the outcome of the annual appropriations process, it suggests an allocation to Congress and the President in sustaining discretionary funding for such programs, functions, and activities, and is intended to be included in the budget of the President for the fiscal year in which the amount is made available.

(b) On the first day of each fiscal year, the Secretary of the Treasury shall make available to the Secretary of Veterans Affairs the amount determined under subsection (c) with respect to that fiscal year. Each such amount is available, without fiscal year limitation, for the programs, functions, and activities of the Veterans Health Administration specified in subsection (d). There are authorized to be appropriated, out of any amounts in the Treasury not otherwise appropriated, amounts necessary to implement this section.

(c)(1) The amount applicable to fiscal year 2006 under this subsection is the amount equal to—

(i) 130 percent of the amount obligated by the Department during fiscal year 2005 for the purposes specified in subsection (d); minus

(ii) the amount appropriated for those purposes for fiscal year 2005.

(2) The amount applicable to any fiscal year after fiscal year 2006 under this subsection is the amount equal to the product of the following, minus the amount appropriated for the purposes specified for subsection (d) for fiscal year 2006:

(A) The sum of—

(i) the number of veterans enrolled in the Department health care system under section 1701 of this title, as of July 1 preceding the beginning of such fiscal year, divided by 12; and

(ii) the number of persons eligible for health care under chapter 17 of this title who are not veterans and who were provided hospital care or medical services under such chapter at any time during the fiscal year preceding such fiscal year.

(B) The per capita baseline amount, as increased from time to time pursuant to paragraph (3)(B).

(3)(A) For purposes of paragraph (2)(B), the term ‘per capita baseline amount’ means the amount equal to—

(i) the amount obligated by the Department during fiscal year 2005 for the purposes specified in subsection (d); divided by

(ii) the number of veterans enrolled in the Department health care system under section 1701 of this title as of September 30, 2004.

(B) With respect to any fiscal year, the Secretary shall provide a percentage increase to the per capita baseline amount equal to the percentage by which—

(i) the Consumer Price Index (all Urban Consumers—City Average, Hospital and related services, Seasonally Adjusted), published by the Bureau of Labor Statistics of the Department of Labor for the 12-month period ending on the June 30 preceeding the beginning of the fiscal year for which the increase is made; exceeds

(‘‘(i) such Consumer Price Index for the 12-month period preceding the 12-month period described in clause (i).’’

(d)(1) Except as provided in paragraph (2), the amount obligated pursuant to subsection (a) shall be the aggregate of amounts which are made available pursuant to subsection (b) shall be all programs, functions, and activities of the Veterans Health Administration.

(2) Amounts made available pursuant to subsection (b) are not available for—

(A) construction, acquisition, or alteration of medical facilities as provided in subsection (c) with respect to that fiscal year (other than for such repairs as were provided for before the date of the enactment of this section through the Medical Care appropriation for the Department of Veterans Affairs);

(B) grants under subchapter III of chapter 81 of title 38, United States Code (as so added), or any other modification of laws administered by the Secretary of Veterans Affairs to implement the recommendations of the Comptroller General in the report under section 102(b); and

(3) the title of which is as follows: ‘‘Joint resolution to ensure adequate funding of health care for veterans.’’

(c)(1) The amount described in subsection (b) that is introduced in the House of Representatives shall be referred to the Committee on Veterans’ Affairs of the House of Representatives. A joint resolution described in subsection (b) that is introduced in the Senate shall be referred to the Committee on Veterans’ Affairs of the Senate.

(d) DISCHARGE.—If the committee to which a joint resolution described in subsection (b) is referred has not reported such resolution (or an identical resolution) by the end of the 20-day period beginning on the date on which the Comptroller General submits to Congress the report under section 102, such committee shall be discharged, by the end of the discharge period, from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(e) CONSIDERATION.—

(1) MOTION TO PROCEED TO CONSIDERATION.—

On or after the third day after the date on which the committee to which such a joint resolution is referred has not reported such resolution, or has not been discharged under subsection (d) from further consideration, it is in order (even though a previous motion to reconsider the vote by which the motion is agreed to has not been made) for any Member of the House to move to proceed to the consideration of the joint resolution without intervening motion, order, or other business, and the resolution shall remain the unfinished business of the House.

(2) DEBATE.—Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, and shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to debate is not in order. A motion to postpone, or a motion to proceed to the consideration of other business,
or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

**Vote on Final Passage.**—Immediately following the conclusion of the debate on a joint resolution described in subsection (b) and a single quorum call at the conclusion of the debate if required by the rules of the House in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

**Appeals from Decisions of the Chair.**—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, or to the procedure relating to a joint resolution described in subsection (b) shall be decided without debate.

**Consideration by Other House.**—If, before the passage by one House of a joint resolution of that House described in subsection (b), that House receives from the other House a joint resolution described in subsection (b), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee and may not be considered by that House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to a joint resolution described in subsection (b) of the House receiving the resolution—

(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(ii) the vote on final passage shall be on the resolution of the other House.

**Rules of Senate and House.**—This section is declaratory. In the case of a joint resolution described in subsection (b), it shall no longer be in order to consider the resolution that originated in the receiving House.

**SEC. 112. POST-TRAUMATIC STRESS DISORDER TREATMENT FOR VETERANS OF SERVICE IN AFGHANISTAN AND IRAQ IN TERROR.**

(a) **Enhanced Capacity for Department of Veterans Affairs.**—Using funds available to the Department of Veterans Affairs for fiscal year 2006 for “Medical Care”, the Secretary shall employ at least one psychiatrist and a complementary clinical team at each medical center of the Department of Veterans Affairs in order to conduct a specialized program for the diagnosis and treatment of post-traumatic stress disorder and to employ additional mental health professionals, and as necessary, incorporate mental health services specialists at the medical center.

(b) **Outreach at the Community Level.**—

(1) Programs of the Department of Veterans Affairs shall, within the authorities of the Secretary under title 38, United States Code, carry out a program to provide outreach at the community level to veterans who participated in Operation Iraqi Freedom or Operation Enduring Freedom who are or may be suffering from post-traumatic stress disorder.

(2) **Program Sites.**—The program shall be carried out on a nationwide basis through facilities of the Department of Veterans Affairs.

(3) **Program Content.**—The program shall provide for individualized case management to be conducted on a one-on-one basis, counseling, education sessions to help participants cope with post-traumatic stress disorder. The program—

(A) shall emphasize early identification of veterans who are experiencing symptoms of post-traumatic stress disorder; and

(B) shall include group-oriented, peer-to-peer settings for treatment.

**SEC. 113. ARMED FORCES REVIEW OF MENTAL HEALTH PROGRAMS.**

(a) **Review of Mental Health Programs.**—The military department shall conduct a comprehensive review of the mental health care programs of the Armed Forces under the jurisdiction of that Secretary in order to determine ways to improve the efficacy of such care, including a review of joint Department of Defense and Department of Veterans Affairs clinical guidelines to ensure a seamless delivery of care during transitions from active duty or reserve status to civilian life.

(b) **Report.**—The Secretary of Defense shall submit to Congress a report setting forth the results of such review not later than 90 days after the date of enactment of this Act.

**Subtitle C—Other Matters**

**SEC. 121. AUTHORITY OF DEPARTMENT OF VETERANS AFFAIRS PHARMACIES TO DISPENSE MEDICATIONS TO VETERANS ON PRESCRIPTIONS WRITTEN BY PRIVATE PRACTITIONERS.**

(a) **Findings.**—Congress makes the following findings:

(1) Under longstanding regulations of the Department of Veterans Affairs, most veterans who require medications from private doctors are forced to complete physicals conducted by Department of Veterans Affairs physicians before the veterans can obtain their prescriptions filled by a pharmacy. This bureaucratic red tape can prevent veterans from quickly receiving the medical treatment they need.

(2) In December 2001, Inspector General of the Department of Veterans Affairs reported that eliminating this unnecessary red tape would save the underfunded Department of Veterans Affairs over $3,000,000,000 per year. The report concluded that “a decision to continue the current policies results in inefficiency and waste that we estimate annually affect over $300,000,000 in resources that could be better used in the delivery of healthcare services to veterans.”

(3) In 2004, the Department of Justice, in a reversal of an earlier legal opinion, stating that the Secretary of Veterans Affairs has the authority to eliminate this rule without the usual legislative action. The Secretary has failed to take such a step, thus necessitating action by Congress.

(b) **Authority.**—Section 1712 of title 38, United States Code, is amended—

(1) by redesigning subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection (e):

“(e)(1) The Secretary shall furnish to any veteran who is entitled to or enrolled in hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); or

“(b) is enrolled in the supplementary medical insurance program described in part B of such title (42 U.S.C. 1395 et seq.).

“(3) The Secretary may request that a veteran furnishing medications on an out-patient basis under section 1712(e) of this title, pay, at the election of the Secretary, one or more of the following:

(A) An annual enrollment fee in an amount determined appropriate by the Secretary.

(B) A copayment for each 30-day supply of such medications in an amount determined appropriate by the Secretary.

(C) An amount equal to the cost to the Secretary of such medications, as determined by the Secretary.

(2)(A) In determining the amounts to be paid by a veteran under paragraph (1), and the basis of payment under one or more subparagraphs of that paragraph, the Secretary shall ensure that the total amount paid by veterans for medications under that paragraph in a year is not less than the costs of the Department in furnishing medications to veterans under section 1712(e) of this title during that year, including the cost of purchasing and furnishing medications, and other costs of administering that section.

(D) Any other matters the Secretary considers appropriate.

(C) Whether or not the medications furnished are generic medications or brand name medications.

(D) Whether or not the medications are furnished by mail.

(E) Whether or not the medications furnished are listed on the National Formulary of the Department.

(F) Any other matters the Secretary considers appropriate.

(3) Nothing in this section shall affect any provision of law that provides for any veteran to purchase health insurance through the Department of Veterans Affairs, or any provision of law that provides a veteran with a private health insurance policy.
“(4) The Secretary may from time to time adjust any amount determined by the Secretary under paragraph (1), as previously adjusted under this paragraph, in order to meet the purposes specified in paragraph (2), and in subsection (d), as so redesignated—

(i) by striking ‘‘subsection (a)’’ and inserting ‘‘subsections (a) and (b)’’; and

(ii) striking subsection (b) and inserting ‘‘subsection (c)’’.

(2) DEPOSIT OF COLLECTIONS IN MEDICAL CARE COLLECTIONS FUND.—Paragraph (4) of section 17202(h) of title 38 is amended to read as follows—

‘‘(4) Subsection (a) or (b) of section 1722A of such title is amended to—

(c) TITLE II—CONCURRENT RECEIPT OF RETIRED PAY AND SERVICE-CONNECTED DISABILITY COMPENSATION

SEC. 201. SHORT TITLE.

This title may be cited as the ‘‘Retired Pay Restoration Act of 2005’’.

SEC. 202. FINDINGS.

Congress makes the following findings:

(1) The United States Government has an essential obligation to provide support and care for men and women who have completed honorable military service in defense of the Nation. In no instance is this obligation more critical than for veterans who were injured or disabled during their military service.

(2) Disability compensation and military retired pay are benefits earned for two distinct reasons. Disability compensation is provided for disability resulting from their military service to the Nation as an expression of the Nation’s gratitude and as recompense for their sacrifice. Military retired pay is earned by members of the Armed Forces for the devotion of 20 or more years of their lives to the military service of the Nation.

(3) Until 2002, Federal law prohibited disabled veterans from concurrently receiving both disability compensation and retirement pay. The prohibition against concurrent receipt of compensation or annuity violation of the Government’s commitment to veterans.

(4) Despite recent legislative advances, over 1,500,000 disabled veterans continue to be prevented from receiving both military retirement and disability payments concurrently.

SEC. 203. FULL PAYMENT OF BOTH RETIRED PAY AND COMPENSATION TO DISABLED MILITARY RETIREE.

(a) RESTORATION OF FULL RETIRED PAY BENEFITS.—Section 1414 of title 10, United States Code, is amended to read as follows:

“(1414. Members eligible for retired pay who are also eligible for veterans’ disability compensation: payment of retired pay and veterans’ disability compensation.

‘‘(a)(1) Paragraphs (3) through (5), as specified in subsection (c) and who is also entitled to veterans’ disability compensation is entitled to be paid both without regard to sections 5304 and 5305 of title 38, but only to the extent that the amount of the member’s retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have entitled under any other provision of law based upon the member’s service in the uniformed services if the member’s retired pay for certain disabled veterans.

(b) SPECIAL RULE FOR CHAPTER 61 CAREER MILITARY RETIREE.—The retired pay of a member who retired under chapter 61 of this title with 20 years of otherwise creditable service under section 1405 of this title at the time of the member’s retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member’s retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have entitled under any other provision of law based upon the member’s service in the uniformed services if the member’s retired pay for certain disabled veterans.

‘‘(c) EXCEPTION.—Subsection (a) does not apply to a member retired under chapter 61 of this title who less than 20 years of service otherwise creditable under section 1405 of this title at the time of the member’s retirement.

‘‘(d) DEFINITIONS.—In this section—

‘‘(1) The term ‘‘in the service of the Armed Forces’’ means the service of a member in the armed forces, or any component of the armed forces, or any activity performed by members of the armed forces, or any component of the armed forces, in a position specified in section 1712 of title 38, or section 1722A of such title.

‘‘(2) The term ‘‘veterans’’ means the following:

‘‘(A) The term ‘‘veterans’ disability compensation’’ has the meaning given the term ‘‘veterans compensation’’ in section 101(13) of title 38, as so redesignated by the Veterans Reform and Readjustment Assistance Act of 1974.

‘‘(B) The term ‘‘veterans compensation’’ means the compensation provided to veterans for disabilities resulting from military service.

‘‘(C) The term ‘‘veterans disability compensation’’ means the compensation provided to veterans for disabilities resulting from military service.

SEC. 204. EFFECTIVE DATE; PROHIBITION ON RETROACTIVE BENEFITS.

(a) IN GENERAL.—The amendments made by section 202 shall take effect on—

(1) the first day of the first month that begins after the date of the enactment of this Act; or

(2) the first day of the fiscal year that begins in the calendar year in which this Act is enacted, if later than the date specified in paragraph (1).

(b) RETROACTIVE EFFECTS.—No benefits may be paid to any person by reason of section 1414 of title 10, United States Code, as amended by section 202(a), for any period before the effective date applicable under subsection (a).

TITLE III—SEAMLESS TRANSITION FROM MILITARY SERVICE TO VETERANS STATUS

SEC. 301. FINDINGS.

Congress makes the following findings:

(1) In its final report, the President’s Task Force To Improve Health Care Delivery For Our Nation’s Veterans found that ‘‘... increased collaboration between the Department of Veterans Affairs and the Department of Defense to facilitate a seamless transition from military service to veteran status...’’

(2) The physical examination of a member under this subsection shall be conducted before the member receives presentation counseling under section 1142 of this title.

(3) The physical examination conducted under this subsection shall be comprehensive and, to the maximum extent practicable, uniform throughout the armed forces.

(4) The purpose of a physical examination conducted for a member under this subsection shall be—

(A) to determine the immediate health care needs, if any, of the member as of separation and the ongoing health care needs, if any, of the member after separation; and

(B) to identify any illness, injury, or other medical conditions that may make the member eligible for benefits as a veteran under the laws administered by the Secretary of Veterans Affairs.

(C) The Secretary of Defense shall prescribe in regulations the requirements for physical examinations conducted under this subsection.

D) The results of the physical examination of a member under this subsection shall be considered on the date of separation.

SEC. 302. REPORT ON DEVELOPMENT OF INTEROPERABLE ELECTRONIC MEDICAL RECORDS.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress a report on the status of the developable electronic medical records for members of the Armed Forces and veterans that are usable by both the Department of Defense and the Department of Veterans Affairs.

SEC. 303. EXCHANGE OF MEDICAL RECORDS FOR SEAMLESS TRANSITION IN THE PROVISION OF HEALTH CARE SERVICES.

The Secretary of Health and Human Services shall modify section 164.512(k)(1) of title 45, Code of Federal Regulations, provide that the Department of Defense and the Department of Veterans Affairs may exchange protected health information of members of the Armed Forces and veterans in a manner that, as determined jointly by the Secretary of Health and Human Services, the Secretary of Defense, and the Secretary of Veterans Affairs, facilitates a seamless transition between the provision of health care services by the Department of Defense to members of the Armed Forces and the provision of health care services by the Department of Veterans Affairs to veterans who require such services after their separation or retirement from the Armed Forces.

SEC. 304. ENHANCEMENT OF PRESEPARATION PHYSICAL EXAMINATION REQUIREMENTS.

Section 114 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (4); and

(2) by redesignating subsections (d) and (e) as subsections (d) and (e), respectively; and

(3) by inserting after subsection (c) the following new subsection:

‘‘(4) PRESEPARATION PHYSICAL.—(1) The Secretary concerned shall require a member of the armed forces to be separated from active duty to undergo a physical examination before that separation.

‘‘(2) The physical examination of a member under this subsection shall be conducted before the member receives presentation counseling under section 1142 of this title.

‘‘(A) The physical examinations conducted under this subsection shall be comprehensive and, to the maximum extent practicable, uniform throughout the armed forces.

‘‘(B) The purpose of a physical examination conducted for a member under this subsection shall be—

(A) to determine the immediate health care needs, if any, of the member as of separation and the ongoing health care needs, if any, of the member after separation; and

(C) to identify any illness, injury, or other medical conditions that may make the member eligible for benefits as a veteran under the laws administered by the Secretary of Veterans Affairs.

‘‘(C) The Secretary of Defense shall prescribe in regulations the requirements for physical examinations conducted under this subsection.

‘‘(4) The results of the physical examination of a member under this subsection shall be determined on the date of separation.

‘‘(5) The Secretary concerned shall transmit in electronic form to the Secretary of Veterans Affairs the results of each physical examination conducted by such Secretary under this subsection.

SEC. 305. ENHANCEMENT OF PRESEPARATION COUNSELING REQUIREMENTS.

Section 114(b) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (3) through (10) as paragraphs (4) through (11), respectively; and
(2) by striking paragraph (2) and inserting the following new paragraphs:

"(2) A description (to be developed with the assistance of the Secretary of Veterans Affairs) of the members and other benefits to which the member may be entitled under the laws administered by the Secretary of Veterans Affairs, including compensation and vocational rehabilitation benefits in the case of a member being medically separated or being retired under chapter 61 of this title, which shall be taken into account the preseparation physical examination of the member conducted under section 1145(d) of this title.

"(3) In the case of a member who, as determined pursuant to the preseparation physical examination conducted under section 1145(d) of this title, may be entitled to compensation or pensions benefits under the laws administered by the Secretary of Veterans Affairs, a referral (to be provided with the assistance of the Secretary of Veterans Affairs) for a compensation and pension examination by the Secretary of Veterans Affairs.”

SEC. 306. EPIDEMIOLOGICAL STUDIES.

(a) IN GENERAL.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly develop protocols to facilitate the sharing of information developed during the five-year period beginning on October 1, 2005, jointly carry out such epidemiological studies relating to veterans’ health conditions that develop as a result of occupational exposure during military service as such Secretaries consider appropriate.

(b) IN GENERAL.—(1) The Secretary of Defense, the Secretary of Veterans Affairs, a referral (to be provided with the assistance of the Secretary of Veterans Affairs) for a compensation and pension examination by the Secretary of Veterans Affairs.”

SEC. 307. INFORMATION SHARING.

(a) IN GENERAL.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly develop protocols to facilitate the sharing of information developed during the five-year period beginning on October 1, 2005, jointly carry out such epidemiological studies relating to veterans’ health conditions that develop as a result of occupational exposure during military service as such Secretaries consider appropriate.

(b) IN GENERAL.—(1) The Secretary of Defense, the Secretary of Veterans Affairs, a referral (to be provided with the assistance of the Secretary of Veterans Affairs) for a compensation and pension examination by the Secretary of Veterans Affairs.”

SEC. 308. COORDINATION OF LONG-TERM RESEARCH ON HEALTH CARE.

(a) DEPARTMENT OF VETERANS AFFAIRS REPRESENTATIVE ON ARMED FORCE EPIDEMIOLOGICAL BOARD.—

"(1) The Secretary of Veterans Affairs shall appoint, as an ex officio member, an officer of the Department of Veterans Affairs designated by the Secretary of Veterans Affairs for the purposes of this subsection.

(2) The purpose of the appointment under this subsection is to ensure that the Armed Forces Epidemiological Board considers and takes into account the views and recommendations of the Department of Veterans Affairs in providing advice to the Secretary of Veterans Affairs concerning the development and maintenance, defense-wide, of occupational health programs, and to enhance effective collaboration on matters relating to the Armed Forces Epidemiological Board and the Armed Forces.

(b) DEPARTMENT OF VETERANS AFFAIRS REPRESENTATIVE ON DEPARTMENT OF DEFENSE SAFETY AND OCCUPATIONAL HEALTH COMMITTEE.—

"(1) The Secretary of Veterans Affairs shall appoint, as an ex officio member, an officer of the Department of Veterans Affairs designated by the Secretary of Veterans Affairs for the purposes of this subsection.

(2) The purpose of the appointment under this subsection is to ensure that the Department of Defense and the Department of Veterans Affairs establish and maintain effective collaboration on matters relating to occupational safety and health of current and former members of the Armed Forces.

(c) ANNUAL REPORT ON FORCE HEALTH PROTECTION.—Not later than March 1 each year, the Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to Congress each year a report on the efforts of the Department of Defense and Department of Veterans Affairs, respectively, during the preceding calendar year, to accomplish the following:

(1) The identification of illnesses and injuries incurred or aggravated by members of the Armed Forces during service in the Armed Forces through exposure to occupational hazards and other toxic and hazardous substances.

(2) The treatment of members of the Armed Forces and veterans for illnesses and injuries described in paragraph (1).

(3) The conduct of epidemiological studies on the health consequences of exposure of members of the Armed Forces to occupational hazards and other toxic and hazardous substances during service in the Armed Forces.

(4) The development of guidance and other information on policies and practices intended to prevent, reduce, or mitigate the exposure of members of the Armed Forces to occupational hazards and other toxic and hazardous substances during service in the Armed Forces.

(5) The sharing of information with the National Cancer Institute for use in computerized research on health care.

(6) The sharing of information under subsection (a) shall include the following:

(b) DEFINITIONS.—In this section:

"(1) The term ‘academic year’ means the first academic year for which a student uses entitlement to basic educational assistance under this chapter.

(2) The term ‘covered student’ means any individual entitled to basic educational assistance under this chapter whose basic pay or voluntary separation incentives was or would have been in effect under section 3011(b), 3012(c), 3018(c), 3018A(b), or 3018B(b) of this title.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of this title is amended to insert after the item relating to section 3020 the following new item:

"3029A. Exclusion of basic pay contributions in certain computations on student financial aid.”
(a) Opportunity for enrollment.—Section 3018C(e) of title 38, United States Code, is amended by
(1) in paragraph (1), by inserting “or (3)” after “paragraph (2)”;
(2) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively;
(3) by inserting after paragraph (2) the following new paragraph:
“(3) A qualified individual referred to in paragraph (1) is also an individual who meets each of the following requirements:

(A) The individual is a participant in the educational benefits program under chapter 32 of this title as of the date of the enactment of the Montgomery GI Bill for the 21st Century Act, or was eligible to participate in such program or any other educational benefits program under this title, as of that date.

(B) The individual meets the requirements of section 3018(b).

(C) The individual, when discharged or released from active duty, is discharged or released therefrom with an honorable discharge.”;

(4) in paragraph (5), as so redesignated, by striking “paragraph (3)(A)(ii)” and inserting “paragraph (4)(A)(ii)”;

(5) in paragraph (6), as so redesignated, by inserting “, or individuals eligible to participate in that program who have not participated in that program or any other educational benefits program under this title, after “chapter 32 of this title”.

(b) Conforming and Clerical Amendments.—The heading of such section is amended to read “3018C. Opportunity to enroll: certain VEAP participants; certain individuals eligible for participation in VEAP.”.

(c) Effect.—This Act may be cited as the “Quality Education for All Act”.

S. 15. A bill to improve education for all students, and for other purposes; to the Committee on Finance
Mr. BINGAMAN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 15. 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 “Quality Education for All Act”.

SEC. 2. TABLE OF CONTENTS. The table of contents for this Act is as follows:

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SEC. 2. TABLE OF CONTENTS. The table of contents for this Act is as follows:

S. 15. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
TITLE I—STRENGTHENING HEAD START AND CHILD CARE PROGRAMS

Subtitle A—Increasing Access to Head Start Programs

SEC. 101. AUTHORIZATION OF APPROPRIATIONS. Section 636(a) of the Head Start Act (42 U.S.C. 9834(a)) is amended by striking “such sums” and all that follows and inserting the following: “$8,570,000,000 for fiscal year 2006, $10,440,000,000 for fiscal year 2007, $12,384,000,000 for fiscal year 2008, $14,334,000,000 for fiscal year 2009, and $15,332,000,000 for fiscal year 2010.”

SEC. 102. STRENGTHENING INDIAN AND MIGRANT AND SEASONAL HEAD START PROGRAMS.

Section 610(a)(2) of the Head Start Act (42 U.S.C. 9835(a)(2)) is amended by striking subparagraph (A) and inserting the following:

“(A) Indian Head Start programs, services for children with disabilities, and migrant and seasonal Head Start programs, except that the Secretary shall reserve for each fiscal year for use by Indian Head Start and migrant and seasonal Head Start programs (referred to in this subparagraph as ‘covered programs’), on a nationwide basis, a sum that is the total of not less than 4 percent of the amount appropriated under section 610(a)(2) for that fiscal year (for Indian Head Start programs), and not less than 5 percent of that appropriated amount (for migrant and seasonal Head Start programs), and that do not cause such a reduction; and

“(B) programs that approach, as closely as practicable, the specified percentages and that do not require Head Start agencies with center-based programs to demonstrate continuing and consistent progress each year to reach the results described in subparagraphs (A) and (C), respectively.”

SEC. 103. EXPANDING EARLY HEAD START PROGRAMS.

Section 648(b) of the Head Start Act (42 U.S.C. 9840(b)) is amended—

(1) in subsection (a)(2), by striking “7.5 percent for fiscal year 1998” and all that follows and inserting the following—

“(2) by striking subparagraph (B); and

(3) by adding at the end the following:

“(C) PROGRESS. Not later than 3 years after the date of enactment of this Act, the Secretary shall compile all such reports and submit a summary of the compiled reports to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives.”;

(2) in subsection (a)(3), by striking “(2)(A)” and inserting “(2)(B)”;

(3) by adding at the end the following:

“(D) ENSURING PROGRESS. To support local programs in early literacy and pre-literacy development of children in Head Start programs, and to provide the children with high-quality oral language and pre-literacy skills that are rich in literature, in which to acquire early language and pre-literacy skills, each Head Start agency shall ensure that all of the agencies with center-based programs in a region compile an ongoing plan for the Head Start agencies with center-based programs in the region to reach the results described in subparagraphs (A) and (C). Each Head Start agency shall submit to the Secretary a summary of the compiled reports to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives;”;

(4) in subsection (a)(4), by striking “(2)” and inserting “(3)”;

(5) in subsection (a)(5), by striking “(2)” and inserting “(3)”;

(6) by adding at the end the following:

“(7) in subsection (b)(1), by adding “7.5 percent for fiscal year 2006” and all that follows and inserting the following—

“(B) by striking the word “section” and inserting “Section 636”;

(8) by redesignating subparagraph (B) as subparagraph (C) and inserting the following:

“(B) by striking the word “section” and inserting “Section 636”;

SEC. 111. SCHOOL READINESS STANDARDS.

Section 641A(a)(1)(B)(i) of the Head Start Act (42 U.S.C. 9834(a)(1)(B)(i)) is amended by striking “at a minimum” and all that follows and inserting the following: “at a minimum, develop and demonstrate—

“(i) language skills, including an expanded use of vocabulary;

“(ii) interest in and appreciation of books, reading, and writing (either alone or with others), phonological and phonemic awareness, and sounds of expression and communication;

“(iii) pre-mathematics knowledge and skills, including knowledge and skills relating to aspects of classification, seriation, numbers, spatial relations, and time;

“(iv) cognitive abilities related to academic achievement;

“(v) abilities related to social and emotional development;

“(vi) gross and fine motor skills; and

“(vii) in the case of children with limited English proficiency, abilities related to progress toward acquisition of the English language.”

SEC. 112. STAFF QUALIFICATIONS AND DEVELOPMENT.

Section 648A of the Head Start Act (42 U.S.C. 9840a) is amended—

(1) in subsection (a)(2), by adding at the end the following:

“(A) by inserting ‘Section 645 of the Head Start Act (42 U.S.C. 9835);’;

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B) and inserting the following:

“(B) by striking subparagraph (B) and inserting

“(C) REQUIREMENT FOR NEW HEAD START TEACHERS; TRIBAL COLLEGE AND UNIVERSITY—HEAD START PARTNERSHIP PROGRAM.—

(1) PROGRAM.—The Head Start Act is amended by inserting after section 648A (42 U.S.C. 9840a) the following:

“SEC. 648B. ATTRACTING AND RETAINING HIGH-QUALITY HEAD START TEACHERS; TRIBAL COLLEGE OR UNIVERSITY—HEAD START PARTNERSHIP PROGRAM.—

(1) PROGRAM.—The Head Start Act is amended by inserting after section 648A (42 U.S.C. 9840a) the following:

“(a) IN GENERAL.—The Secretary shall make grants to eligible Head Start agencies to enable the agencies to reach the results described in subparagraph (A) of section 648A(a)(2). The Secretary shall make the grants from allotments determined under section 640,”

(b) ALLOTMENTS.—From the funds made available under section 648(c) for a fiscal year and not reserved under subsection (d), the Secretary shall allot to each Head Start agency an amount that bears the same relationship to such funds as the amount received by the agency under section 640 for the fiscal year bears to the amount received by all Head Start agencies under section 640 for that fiscal year.

(c) SALARY PLAN.—A Head Start agency that accepts a grant under this section shall develop and carry out a plan to raise the average salaries of teachers in the agency’s Head Start programs. In developing the plan, the agency shall take into consideration the training, level of education, and experience of the teachers, and the average salaries of
prekindergarten and kindergarten teachers employed by the local educational agency for the school district in which the Head Start agency is located, with similar training, local and academic criteria under section 639(a) to assist local and academic criteria under section 639(a) to assist local agencies located in those areas to help reduce the discrepancy between such average salaries of such teachers and such average salaries of such prekindergarten and kindergarten teachers.

SEC. 648C. TRIBAL COLLEGE OR UNIVERSITY-HEAD START PARTNERSHIP PROGRAM.

(a) Tribal College or University-Head Start Partnership Program.—

(1) Grants.—The Secretary is authorized to award grants, of not less than 5 years duration, to Tribal Colleges and Universities to—

(A) implement education programs that include tribal culture and language and increase the number of associate, baccalaureate, and graduate degrees in early childhood education and related fields that are earned by Indian Head Start agency staff members, parents of children served by such an agency, and members of the tribal community involved;

(B) develop and implement the programs under subparagraph (A) in technology-mediated formats; and

(C) provide technology literacy programs for Indian Head Start agency staff members and children and families of children served by such an agency.

(2) Staffing.—The Secretary shall ensure that the Native American Indian Programs Branch of the Head Start Bureau of the Department of Health and Human Services shall have staffing sufficient to administer the programs described in subsection (a) and to provide appropriate technical assistance to Tribal Colleges and Universities receiving grants under this section.

(b) Application.—Each Tribal College or University desiring a grant under this section shall submit an application to the Secretary, at such time, in such manner, and containing such information as the Secretary may require, including a certification that the Tribal College or University has established a partnership with 1 or more Indian Head Start agencies for the purpose of conducting the activities described in subsection (a).

(c) Discretion.—In this section—

(1) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has the meaning given such term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(2) TRIBAL COLLEGE OR UNIVERSITY.—The term ‘Tribal College or University’ means an institution of higher education—

(A) defined by such term in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1058(c)), and

(B) determined to be accredited or a candidate for accreditation by a nationally recognized accrediting agency or association.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $608,000,000 for fiscal year 2008, $723,000,000 for fiscal year 2009, and $841,000,000 for fiscal year 2010.

(c) CONFORMING AMENDMENTS.—Section 640 of the Head Start Act (42 U.S.C. 98310) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ‘section 639’ and inserting ‘section 639(a)’; and

(ii) in paragraph (2)—

(I) in the matter preceding subparagraph (A), by inserting ‘pursuant to section 638(a)’ after ‘appropriate’;

(II) in subparagraph (B), in the matter following clause (ii), by inserting ‘pursuant to section 639(a)’ after ‘appropriate’; and

(III) in subparagraph (C), by inserting ‘pursuant to section 639(a)’ after ‘appropriate’; and

(B) in subsection (b), by striking ‘section 639’ and inserting ‘section 639(a)’ each place it appears.

(d) APPROPRIATIONS.—The funds reserved under section (a) are designed to improve the quality of child care services provided to children who meet or exceed child care services guidelines, as defined by the State:

(1) Evaluate and assess the quality and effectiveness of child care programs and services offered to the State by young children on improving overall school readiness, and

(2) Carry out other activities determined by the Secretary to improve the quality of child care services provided to the State and for which measurement of outcomes relating to improved child safety, child well-being, or school readiness is possible.

(e) CERTIFICATION.—For each fiscal year beginning after September 30, 2005, the State shall annually submit to the Secretary a certification in which the State certifies and demonstrates that the State is in compliance with subsection (a) during the preceding fiscal year and describes how the Secretary and funds may be used to carry out this subchapter to comply with subsection (a) during that preceding fiscal year.

TITLES II—PROVIDING SAFE, RELIABLE TRANSPORTATION FOR RURAL SCHOOL CHILDREN

SEC. 201. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) school transportation issues have concerned parents, local educational agencies, lawmakers, the National Highway Traffic Safety Administration, the National Transportation Safety Board, and the Environmental Protection Agency identified school transportation as a critical issue for rural children,

(2) millions of children face potential future health problems because of exposure to noxious fumes emitted from older school buses,

(3) the Environmental Protection Agency established the Clean School Bus USA program to replace 129,000 of the oldest diesel buses that cannot be retrofitted in an effort to help children and the environment by improving air quality,

(4) unfortunately, many rural local educational agencies are unable to afford or purchase new, safer school buses,

(5) many rural local educational agencies are unable to afford to buy new, safer school buses,

(6) the purpose of this title is to establish within the Department of Education a Federal cost-sharing program to assist local educational agencies with older, unsafe school bus fleets in purchasing new, safer school buses.
SEC. 202. DEFINITIONS.
In this title:
(1) RURAL LOCAL EDUCATIONAL AGENCY.—The term “rural local educational agency” means a local educational agency, as defined in section 611(a)(2) of the Individuals with Disabilities Education Act, 20 U.S.C. 1411(a)(2), including an agency that seeks to receive a grant under this title.
(2) SCHOOL BUS.—The term “school bus” means a vehicle the primary purpose of which is to transport students to and from school or school activities.

SEC. 203. GRANT PROGRAM.
(a) In General.—From amounts appropriated under subsection (e) for a fiscal year, the Secretary shall provide grants, on a competitive basis, to rural local educational agencies to pay the Federal share of the cost of purchasing new school buses.
(b) Application.—(1) In General.—Each rural local educational agency that seeks to receive a grant under this title shall submit to the Secretary for approval an application at such time, in such form, and accompanied by such information (in addition to information required under paragraph (2)) as the Secretary may require.
(2) CONTENTS.—Each application submitted under paragraph (1) shall include—
(A) documentation of whether the number of miles that each school bus operated by the rural local educational agency traveled in the most recent 12-month period;
(B) a certification from the rural local educational agency that the school bus is in need of repair or replacement; and
(C) a certification of the number of miles that each school bus operated by the rural local educational agency is operating with a reduced fleet of school buses.
(c) Priority.—(1) In General.—In awarding grants under this title, the Secretary shall rank in order of priority the applications submitted by rural local educational agencies that, as determined by the Secretary—
(A) are located in rural areas;
(B) have a grossly depleted fleet of school buses; or
(C) serve a school that is required, under section 611(a)(2) of the Individuals with Disabilities Education Act, 20 U.S.C. 1411(a)(2), to provide transportation to students with disabilities in order to enable such students to participate in the Individuals with Disabilities Education Act.
(2) Overlap.—The Secretary shall ensure that the definition of a school as required under paragraph (1) is consistent with the definition of a rural area under section 611(a)(2) of the Individuals with Disabilities Education Act.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.
There are authorized to be appropriated to carry out this title $50,000,000 for fiscal year 2008 and such sums as may be necessary for each of fiscal years 2009 through 2010.

TITLE III—SENSE OF THE SENATE REGARDING FULLY FUNDING THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT BY 2011
SEC. 301. FINDINGS.
(a) FINDINGS.—The Senate finds the following:
(1) Disability is a natural part of the human experience and in no way diminishes the right of individuals to participate in or contribute to society.
(2) Before the date of enactment of the Individuals with Disabilities Education Act of 1975 (Public Law 94-142), the predecessor to the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), the educational needs of millions of children with disabilities were not being fully met because—
(A) the children did not receive appropriate educational services;
(B) the children were excluded entirely from the public school system and from being educated with their peers;
(C) undiagnosed conditions prevented the children from having a successful educational experience; or
(D) a lack of adequate resources within the public school system forced such families to find services outside the public school system.
(3) The Individuals with Disabilities Education Act has been successful in ensuring children with disabilities and the families of such children access to a free appropriate public education and in improving educational results for children with disabilities.
(4) The implementation of the Individuals with Disabilities Education Act has been impeded by the Federal Government’s failure to honor the commitment it made 30 years ago to provide States with 40 percent of the excess cost of special education.
(5) While States, local educational agencies, and educational service agencies are primarily responsible for providing an education for all children with disabilities, it is in the national interest that the Federal Government have a supporting role in assisting State and local efforts to educate children with disabilities in order to improve results for such children and to ensure equal protection of the law.
(6) Congress passed authorizing language to fully fund the Individuals with Disabilities Education Act and should appropriate such sums as authorized.

SEC. 302. SENSE OF THE SENATE REGARDING AUTHORIZATION OF APPROPRIATIONS.
It is the sense of the Senate that for the purpose of carrying out the Federal Government’s commitment to children, parents, and the States, there should be authorized to be appropriated—
(1) $14,648,647,143 or the maximum amount available for awarding grants under section 611(a)(2) of the Individuals with Disabilities Education Act, whichever is lower, for fiscal year 2006, and there should be appropriated $4,058,901,319 for fiscal year 2006, which should become available for obligation on July 1, 2006, and should remain available through September 30, 2007, except that if the maximum amount available for awarding grants under section 611(a)(2) of such Act is less than $14,648,647,143, then the amount should be reduced by the difference between $14,648,647,143 and the maximum amount available for awarding grants under section 611(a)(2) of such Act; and
(2) $16,938,917,714 or the maximum amount available for awarding grants under section 611(a)(2) of the Individuals with Disabilities Education Act, whichever is lower, for fiscal year 2007, and there should be appropriated $6,349,171,890 for fiscal year 2007, which should become available for obligation on July 1, 2007, and should remain available through September 30, 2008, except that if the maximum amount available for awarding grants under section 611(a)(2) of such Act is less than $16,938,917,714, then the amount should be reduced by the difference between $16,938,917,714 and the maximum amount available for awarding grants under section 611(a)(2) of such Act; and
(3) $19,229,188,286 or the maximum amount available for awarding grants under section 611(a)(2) of the Individuals with Disabilities Education Act, whichever is lower, for fiscal year 2008, and there should be appropriated $8,639,442,462 for fiscal year 2008, which should become available for obligation on July 1, 2008, and should remain available through September 30, 2009, except that if the maximum amount available for awarding grants under section 611(a)(2) of such Act is less than $19,229,188,286, then the amount should be reduced by the difference between $19,229,188,286 and the maximum amount available for awarding grants under section 611(a)(2) of such Act; and
(4) $21,519,458,857 or the maximum amount available for awarding grants under section 611(a)(2) of the Individuals with Disabilities Education Act, whichever is lower, for fiscal year 2009, and there should be appropriated $8,650,272,703 for fiscal year 2009, which should become available for obligation on July 1, 2009, and should remain available through September 30, 2010, except that if the maximum amount available for awarding grants under section 611(a)(2) of such Act is less than $21,519,458,857, then the amount should be reduced by the difference between $21,519,458,857 and the maximum amount available for awarding grants under section 611(a)(2) of such Act; and
(5) $23,809,729,429 or the maximum amount available for awarding grants under section 611(a)(2) of the Individuals with Disabilities Education Act, whichever is lower, for fiscal year 2010, and there should be appropriated $8,650,272,703 for fiscal year 2010, which should become available for obligation on July 1, 2010, and should remain available through September 30, 2011, except that if the maximum amount available for awarding grants under section 611(a)(2) of such Act is less than $23,809,729,429, then the amount...
should be reduced by the difference between $23,809,729,429 and the maximum amount available for awarding grants under section 611(a)(2) of such Act; 

(6) by redesignating paragraphs (c)(1), (d)(1), and (d)(2) of section 611(b)(1) of the Individuals with Disabilities Education Act, whichever is lower, for fiscal year 2011 and the amounts should be appropriated $15,510,254,176 for fiscal year 2011, which should become available for obligation on July 1, 2011, and should remain available through September 30, 2012, except that if the maximum amount available for awarding grants under section 611(a)(2) of such Act is less than $23,809,729,429, then the amount should be reduced by the difference between $23,809,729,429 and the maximum amount available for awarding grants under section 611(a)(2) of such Act; and

(7) by inserting "sum amount available for awarding grants under section 611(a)(2) of the Individuals with Disabilities Education Act for fiscal year 2012 and each succeeding fiscal year, and there should be appropriated for each such year an amount equal to the maximum amount available for awarding grants under section 611(a)(2) of such Act for the fiscal year for which the determination is made and made available through September 30 of the succeeding fiscal year."

TITLE IV—IMPROVEMENT OF ELEMENTARY AND SECONDARY EDUCATION

Subtitle A—Public School Choice, Supplemental Educational Services, and Teacher Quality

SEC. 401. PUBLIC SCHOOL CHOICE CAPACITY.

(a) School Capacity. —Section 1116(b)(1)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6316(b)(1)(B)) is amended—

(1) in clause (i), by striking "In the case" and inserting Subject to clauses (ii) and (iii); and

(ii) in the case, as described in subparagraph (C) includes a provider that has adequate qualifications; and

(iii) by inserting clause (ii) after "public school.";

(b) Grants for School Construction and Renovation.—

(1) In General.—Subpart 1 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111 et seq.) is amended by adding at the end the following:

"SEC. 1120C. GRANTS FOR SCHOOL CONSTRUCTION AND RENOVATION.—

(a) Program Authorized.—From funds appropriated under subsection (g), the Secretary is authorized to award grants to local educational agencies experiencing overcrowding in the schools served by the local educational agencies, for the construction and renovation of safe, healthy, high-performance school buildings.

(b) Eligibility.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and with such information as the Secretary may require.

(c) Priority.—In awarding grants under this section, the Secretary shall give priority to local educational agencies as described in subparagraph (A) who have documented difficulties in meeting the public school choice requirements of paragraph (1)(E), (5)(A), (7)(C)(i), or (8)(A)(i) of section 1116(b), or section 1116(c)(10)(C)(vii); and

(d) Award Basis.—From funds remaining after awarding grants under subsection (c), the Secretary shall award grants to local educational agencies experiencing overcrowding in the schools served by the local educational agencies.

(e) Prevailing Wages.—Any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction funded by a grant awarded under this section will be paid wages at rates no less than those prevailing on similar construction in the locality as determined by the Secretary of Labor under subchapter IV of chapter 35 of title 40, United States Code (commonly referred to as the Davis-Bacon Act).

(f) Definitions.—In this section:

(1) AT OR ABOVE CAPACITY.—The term "at or above capacity" in reference to a school, means a school in which 1 additional student would increase the average class size of the school above the average class size of all schools in the State in which the school is located.

(2) HEALTHY, HIGH-PERFORMANCE SCHOOL BUILDING.—The term "healthy, high-performance school building" means a school building that meets the health and safety code requirements established under this section.

SEC. 1120C. Grants for school construction and renovation."

SEC. 402. Supplemental Educational Services.

Section 1116(e) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6316(e)) is amended—

(1) in paragraph (4)—

(A) in subparagraph (B), by striking the semicolon and inserting ", including criteria that—"

(i) ensure that personnel delivering supplemental educational services to students have adequate qualifications; and

(ii) may, at the State’s discretion, ensure that personnel delivering supplemental educational services to students are teachers that are highly qualified, as such term is defined in section 9101; and

(B) in subparagraph (D), by striking "and" after the semicolon;

(C) in subparagraph (E), by striking the period at the end and inserting "; and"

(D) by adding at the end the following:

"(F) other Federal civil rights laws."

SEC. 403. QUALIFICATIONS FOR TEACHERS AND PARAPROFESSIONALS.

(a) High Objective Uniform State Standard of Evaluation.—Section 1119 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6119) is amended—

(1) in subsection (a)(2)—

(A) by redesignating subparagraphs (A) through (C) as clauses (i) through (ll), respectively, and indenting as appropriate;

(B) by striking "(2) STATE PLAN.—As part" and inserting the following:

"(2) STATE PLAN.—As part"

"(A) IN GENERAL.—As part; and"

(C) by adding at the end the following:

"(B) Availability of State Standards.—Each State educational agency shall make available to teachers in the State the high objective uniform State standard of evaluation, as described in section 9101(23)(C)(i), for the purpose of meeting the teacher qualification requirements established under this section."
(2) by redesignating subsections (e), (f), (g), (h), (i), (j), (k), and (l) as subsections (f), (g), (h), (i), (j), (k), and (l), respectively; and
(3) by inserting after subsection (d) the following:

"(e) STATE RESPONSIBILITIES.—Each State educational agency shall ensure that local educational agencies in the State make available educationally qualified teachers to the schools or secondary schools, respectively, in biology, chemistry, and physics in middle schools, respectively, in the State; or

1 geography, economics, civics, and government.

"(f) DEFINITION OF HIGHLY QUALIFIED TEACHERS.—Section 9101(23)(B)(ii) is amended—

1 (1) in clause (I), by striking "or" after the semicolon;

2 (2) in subsection (II), by striking "and" after the semicolon; and

3 (3) by adding at the end the following:

"(III) in the case of a middle school teacher, passing a State-approved middle school general exam when the teacher receives a license to teach middle school in the State;

4 (IV) in the middle school section or secondary school section of a highly qualified teachers certificate that qualifies the teacher to teach history, geography, economics, civics, and government in middle schools or in secondary schools, respectively, in the State;

5 (V) obtaining a State middle school or secondary school science certificate that qualifies the teacher to teach earth science, biology, chemistry, and physics in middle schools or secondary schools, respectively, in the State; and

6 (c) ENSURING HIGHLY QUALIFIED TEACHERS.—


3 (b) FINAL DETERMINATION.—Not later than 30 days after receiving the request by a school for a review under this section, a local educational agency shall issue and make publically available a final determination on whether a school made adequate yearly progress for the 2002-2003 school year.

4 (c) EVIDENCE.—In conducting a review under this section, a local educational agency shall—

1 (1) allow the principal of the school involved to submit evidence on whether the school made adequate yearly progress for the 2002-2003 school year; and

2 (2) consider that evidence before making a final determination under subsection (b).

"(g) EVALUATIONS.—In conducting a review under this section, a local educational agency shall revise, consistent with the provisions applicable under section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111), the local educational agency’s original determination that a school made adequate yearly progress for the 2002-2003 school year if the agency finds that the school made such progress, taking into consideration—

1 (1) the evaluation of the school’s compliance with subsection 200 of title 34, Code of Federal Regulations (34 Fed. Reg. 68898) (relating to accountability for the academic achievement of students with the most significant cognitive disabilities); or

2 (2) any regulation or guidance that, subsequent to the date of such original determination, was issued by the Secretary relating to—

A the assessment of limited English proficient children;

B the inclusion of limited English proficient children as part of the subgroup described in section 1111(b)(2)(C)(v)(II)(d)(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111(d)(2)(C)(v)(II)(d)(d)) after such children have obtained English proficiency; or

C any requirement under section 1111(b)(2)(II)(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111(b)(2)(II)(d)).

"(h) EFFECT OF REVISED DETERMINATION.—(1) IN GENERAL.—If pursuant to a review under this section a local educational agency determines that a school made adequate yearly progress for the 2002-2003 school year, upon such determination described in section (a) in the same manner and to the same extent as such provisions apply to review by a local educational agency of a determination described in subsection (a) in the same manner and to the same extent as such provisions apply to review by a local educational agency of a determination described in section 421(a).

2 (2) EXCERPT.—Notwithstanding paragraph (1), a determination under this section shall not affect any obligation or action required of a local educational agency or the school because of the prior determination described in section (a) in the same manner and to the same extent as such provisions apply to review by a local educational agency of a determination described in section 421(a).

3 SEC. 422. DEFINITIONS.

In this subtitle:

1 (1) The term "adequate yearly progress" has the meaning given to that term in section 1111(b)(2)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111(b)(2)(C)).

2 (2) The term "local educational agency" means a local educational agency (as that term is defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111)) receiving funds under part A of title I of such Act (20 U.S.C. 6111 et seq.).

3 (3) The term "Secretary" means the Secretary of Education.

4 (4) The term "school" means an elementary school or a secondary school (as those terms are defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111)) receiving funds under part A of title I of such Act (20 U.S.C. 6111 et seq.).

5 (5) The term "State educational agency" means a State educational agency (as that term is defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111)) receiving funds under part A of title I of such Act (20 U.S.C. 6111 et seq.).

SEC. 451. TECHNICAL ASSISTANCE.

(a) In General.—Part F of title IX of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7941) is amended by—

1 (1) by inserting "AND TECHNICAL ASSISTANCE" after "EVALUATIONS";

2 (2) by adding at the end the following:

"Sec. 9602. TECHNICAL ASSISTANCE.

The Secretary shall ensure that the technical assistance provided by, and the research developed and disseminated through, the Institute of Education Sciences and other offices or agencies of the Department provide educators and parents with the needed information and support for identifying educational programs, strategies, programs, and practices, including strategies, programs, and practices available through the clearinghouses supported under the Education Sciences Reform Act of 2002 (P.L. 107-275) and other federal education clearinghouses, that have been successful in improving educational opportunities and achievement for all students through the".

(b) TABLE OF CONTENTS.—The table of contents of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6201) is amended by inserting after the item relating to section 9601 the following:

"Sec. 9602. Technical assistance.

"
TITLE V—IMPROVING ASSESSMENT AND ACCOUNTABILITY

SEC. 501. GRANTS FOR INCREASING DATA CAPACITY FOR PURPOSES OF ASSESSMENT AND ACCOUNTABILITY.

(a) PROGRAM AUTHORIZED.—From funds appropriated for a fiscal year, the Secretary may award grants, on a competitive basis, to State educational agencies—

(1) to enable the State educational agencies to develop or increase the capacity of data systems for assessment and accountability purposes, including the collection of graduation rates; and

(2) to award subgrants to increase the capacity of local educational agencies to upgrade or manage longitudinal data systems for the purpose of measuring student academic progress and achievement.

(b) STATE APPLICATION.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(c) STATE USE OF FUNDS.—Each State educational agency that receives a grant under this section shall—

(1) not more than 20 percent of the grant funds for the purpose of—

(A) increasing the capacity of, or creating, State longitudinal data systems that disaggregate, describe, and report information related to student achievement, enrollment, and graduation rates for assessment and accountability purposes; and

(B) reporting, on an annual basis, for the elementary schools and secondary schools within the State, on—

(i) the enrollment data from the beginning of the academic year;

(ii) the enrollment data from the end of the academic year; and

(iii) the twelfth grade graduation rates; and

(2) not less than 80 percent of the grant funds to award subgrants to local educational agencies within the State to enable the local educational agencies to carry out the authorized activities described in subsection (e).

(d) LOCAL APPLICATION.—Each local educational agency that receives a subgrant under this section shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may require. Each such application shall include, at a minimum, a demonstration of the local educational agency’s ability to put a longitudinal data system in place.

(e) LOCAL AUTHORIZED ACTIVITIES.—Each local educational agency that receives a subgrant under this section shall use the subgrant funds to increase the capacity of the local educational agency to upgrade or manage longitudinal data systems consistent with the uses in subsection (c)(1).—

(1) purchasing database software or hardware;

(2) hiring additional staff for the purpose of managing such data;

(3) providing professional development or additional training for such staff; and

(4) providing professional development or training for principals and teachers on how to effectively use such data to implement instructional strategies to improve student achievement and graduation rates.

(f) DEFINITIONS.—In this section—

(1) GRADUATION RATE.—The term "graduation rate" means the rate calculated using the formula—

(A) the total number of students who—

(i) graduate from a secondary school with a regular diploma (which shall not include the requirement that the equivalent of a secondary school diploma or an alternative degree) in an academic year; and

(ii) graduated on time by progressing 1 grade per academic year; represents of

(B) the total number of students who entered the secondary school in the entry level academic year applicable to the graduating students.

(2) SECRETARY.—The term "Secretary" means the Secretary of Education.

(3) STATE EDUCATIONAL AGENCY AND LOCAL EDUCATIONAL AGENCY.—The terms "State educational agency" and "local educational agency" have the meanings given such terms in section 1116 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2006, and such sums as may be necessary for each of the 2 succeeding fiscal years.

SEC. 502. GRANTS FOR ASSESSMENT OF CHILDREN WITH DISABILITIES AND CHILDREN WHO ARE LIMITED ENGLISH PROFICIENT.

(a) GRANTS FOR ASSESSMENT OF CHILDREN WITH DISABILITIES AND CHILDREN WHO ARE LIMITED ENGLISH PROFICIENT.—From funds allotted to a State for purposes of assessment and accountability for purposes of Section 1111(b)(4)(C)(v) of Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6111), the Secretary may award grants on a competitive basis to State educational agencies, or to consortia of State educational agencies, or to local educational agencies, or to other organizations, to—

(1) to design and implement assessment plans for students who are limited English proficient and students with disabilities; and

(2) to ensure the most accurate, valid, and reliable means to assess academic content standards and student academic achievement—

(i) for all students;

(ii) for all students whose language proficiency is limited; and

(iii) for all students who are limited English proficient.

(b) GRANTS AUTHORIZED.—From amounts authorized to be appropriated under subsection (e) for a fiscal year, the Secretary shall award competitive grants to State educational agencies, or to consortia of State educational agencies, or to local educational agencies, or to other organizations that are intended to—

(1) to ensure that—

(A) the use of alternate assessments used in the State assessment system are trained in the principles of appropriate accommodations take into account the determinations of adequate yearly progress made on the alternate assessments that can be accessible to all students who are limited English proficient; and

(B) the development of assessment plans and the alternate assessments—

(i) the development and implementation of an alternate assessment system that is universally designed;

(ii) the use of assistive technology;

(iii) the use of accommodations that are appropriate and consistent with such accommodations, such as—

(A) a modification to the presentation or format of the assessment;

(B) the use of assistive devices; and

(C) an extension of the time allowed for testing;

(iv) the administration of the test setting or procedures;

(v) the administration of portions of the test to a method appropriate for the level of language proficiency of the test taker;

(vi) the use of a dictionary; and

(vii) the use of a linguistically modified assessment;

(C) ensuring that State policies and criteria for appropriate accommodations take into account the form of the alternate assessments and the accountability system, for the purpose of making the determinations of adequate yearly progress required under section 1116;

(D) ensuring the validity, reliability, and appropriateness of such accommodations, such as—

(i) the use of a glossary or dictionary; and

(ii) the use of a linguistically modified assessment;

(E) ensuring that such policies are consistent with the standards prepared by the Joint Committee on Standards for Educational and Psychological Testing of the American Educational Research Association, the American Psychological Association, and the National Council on Measurement in Education; and

(F) developing a plan for providing training on the use of accommodations to school instructional staff, families, students, and other appropriate partners.

(b) GRANTS AUTHORIZED.—From amounts authorized to be appropriated under subsection (e) for a fiscal year, the Secretary shall award competitive grants to State educational agencies, or to consortia of State educational agencies, or to local educational agencies, or to other organizations, to—

(1) to ensure that—

(A) the development of assessment plans and the alternate assessments take into account the determinations of adequate yearly progress made on the alternate assessments that can be accessible to all students who are limited English proficient; and

(B) the development of assessment plans and the alternate assessments—

(i) the use of alternate assessments provided with accommodations that are extraneous to the intent of the mandates for appropriate accommodations take into account the determinations of adequate yearly progress made on the alternate assessments that can be accessible to all students who are limited English proficient; and

(ii) the use of assistive technology;

(iii) the use of accommodations that are appropriate and consistent with such accommodations, such as—

(A) a modification to the presentation or format of the assessment;

(B) the use of assistive devices; and

(C) an extension of the time allowed for testing;

(iv) the administration of the test setting or procedures;

(v) the administration of portions of the test to a method appropriate for the level of language proficiency of the test taker;

(vi) the use of a dictionary; and

(vii) the use of a linguistically modified assessment;

(E) ensuring that such policies are consistent with the standards prepared by the Joint Committee on Standards for Educational and Psychological Testing of the American Educational Research Association, the American Psychological Association, and the National Council on Measurement in Education; and

(F) developing a plan for providing training on the use of accommodations to school instructional staff, families, students, and other appropriate partners.

(2) Developing alternate assessments that meet the requirements of section 1111 for students who are limited English proficient, including—

(A) the alignment of such assessments with State student academic achievement standards and State academic content standards for all students;

(B) the development of parallel native language assessments or linguistically modified assessments for limited English proficient students that meet the requirements of section 1111(b)(4)(C)(v) of Title I; and

(C) the development of an implementation plan for pilot tests for such assessments, in order to determine the level of appropriateness and feasibility of full-scale administration; and

(D) activities that provide for the retention of all feasible standardized features in the alternate assessments;

(F) ensuring that State policies and criteria for appropriate accommodations take into account the form of the alternate assessments and the accountability system, for the purpose of making the determinations of adequate yearly progress required under section 1116.
SEC. 1506. REPORTS ON STUDENT ENROLLMENT AND GRADUATION RATES.
(a) In General.—The Secretary shall collect from each State educational agency, local educational agency, and school, on an annual basis, the following data:

(1) The number of students enrolled in each of grades 7 through 12 at the beginning of the most recent school year.

(2) The number of students enrolled in each of grades 7 through 12 at the end of the most recent school year.

(b) Annual Report.—The Secretary shall report the information collected under subsection (a) on an annual basis.

(c) TABLE OF CONTENTS.—The table of contents of the Elementary and Secondary Education Act of 1965 (as amended by section 502(b)) (20 U.S.C. 6301 note) is amended by inserting after the item relating to section 1505 the following:

"Sec. 1506. Reports on student enrollment and graduation rates."

SEC. 504. CIVIL RIGHTS.

Section 9534 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7914) is amended—

(1) by redesigning subsections (a) and (b) as subsections (a) and (c), respectively; and—

(2) by inserting before subsection (b) (as redesignated by paragraph (1)) the following:

"(aa) Prohibition of Discrimination.—Discrimination on the basis of race, color, religion, sex (except as otherwise permitted under title IX of the Education Amendments of 1972), national origin, or disability in any program funded under this Act is prohibited...."

TITLE VI—SENSE OF THE SENATE REGARDING FUNDING FOR ELEMENTARY AND SECONDARY EDUCATION

SEC. 601. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds the following:

(1) Congress enacted, with bipartisan support, and the President signed into law the No Child Left Behind Act of 2001 (Public Law 107-110; 115 Stat. 1425), that reauthorized the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), the new law required States to set high standards for learning and required schools to implement reforms to help students achieve the standards.

(2) The opportunity to gain a postsecondary education also is important to the Nation as a means to help advance the American ideals of progress and equality.

(3) The Federal Government plays an invaluable role in making student financial aid available to ensure that qualified students are able to attend college and to obtain the Federal need analysis methodology to carry out this chapter $400,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 4 succeeding fiscal years.

TITLE VII—PROVIDING A ROADMAP FOR FIRST GENERATION COLLEGE FOR STUDENTS

SEC. 701. EXPANSION OF TRIO AND GEAR UP.

(a) In General.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 402A(f), by striking "$700,000,000 for fiscal year 1999" and inserting "$950,000,000 for fiscal year 2005"; and

(2) by striking section 404H and inserting the following:

"(44) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated...

"There are authorized to be appropriated to carry out this chapter $400,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 4 succeeding fiscal years."

TITLE VIII—COLLEGE TUITION RELIEF FOR STUDENTS AND THEIR FAMILIES THROUGH PELL GRANTS

SEC. 801. PELL GRANTS TAX TABLES HOLD HARMLESS.

Notwithstanding any other provision of law, the annual updates to the allowance for State and other taxes in the tables used in the Federal Need Analysis Methodology to determine a student’s expected family contribution for the award year 2005-2006 under part F of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087kk et seq.), published in the Federal Register on Thursday, December 23, 2004 (69 Fed. Reg. 76926), shall not apply to a student to the extent the updates will reduce the amount of Federal student assistance for which the student is eligible.

SEC. 802. SENSE OF THE SENATE REGARDING INCREASING THE MAXIMUM PELL GRANT.

(a) FINDINGS.—The Senate makes the following findings:

(1) Increasing the percentage of individuals who obtain a postsecondary education has become increasingly important, not just to the individual beneficiary, but to the Nation as a whole. The growth of the Nation’s economy is heavily dependent on an educated and highly skilled workforce.

(2) The opportunity to gain a postsecondary education also is important to the Nation as a means to help advance the American ideals of progress and equality.

(3) The Federal Government plays an invaluable role in making student financial aid available to ensure that qualified students are able to obtain the Federal need analysis methodology to carry out this chapter $400,000,000 for fiscal year 2005 and such sums as may be necessary for each of the 4 succeeding fiscal years.

(4) Nationwide, almost 63 percent of secondary school graduates continue on to higher education immediately after completing secondary school. This degree of college participation would not exist without the Federal investment in student aid, especially the Pell Grant program. More than 4,000,000 low- and middle-income students receive Pell Grants; 95 percent of whom have a family income of not more than $40,000.

(5) In the next 10 years, the number of undergraduate students enrolled in the Nation’s colleges and universities will increase by 15 percent to more than 15,000,000 students. Many of these students will be the first in their families to attend college. The continued investment in the Pell Grant program is essential if college is to remain an achievable part of the American dream.

(6) Increasing the maximum Pell Grant to $5,100 would allow more than 430,000 additional students to benefit from the program. Raising the maximum Pell Grant to $5,100 would result in 200,000 new Pell Grant recipients.

TITLE IX—REASONABLE ACCOMMODATION TO EXPAND ACCESS TO POSTSECONDARY EDUCATION FOR INDIVIDUALS WITH DISABILITIES

SEC. 901. REPORTS ON STUDENT ENROLLMENT AND GRADUATION RATES.

Part E of title I of the Elementary and Secondary Education Act of 1965 (as amended by section 502) (20 U.S.C. 6301 et seq.) is amended by adding at the end the following:

"(aa) Development of Postsecondary Education Program.—The Secretary shall collect from each State educational agency, local educational agency, and school, on an annual basis, the following data:

(1) The number of students enrolled in each of grades 7 through 12 at the beginning of the most recent school year;

(2) The number of students enrolled in each of grades 7 through 12 at the end of the most recent school year;

(3) The graduation rate for the most recent school year;

(4) The data described in paragraphs (1) through (3), disaggregated by the groups of students described in section 1111(b)(2)(C)(v)(II).

(b) ANNUAL REPORT.—The Secretary shall report the information collected under subsection (a) on an annual basis.

"(aa) Program.—The Secretary shall report the information collected under subsection (a) on an annual basis.

(b) TABLE OF CONTENTS.—The table of contents of the Elementary and Secondary Education Act of 1965 (as amended by section 502(b)) (20 U.S.C. 6301 note) is amended by inserting after the item relating to section 1505 the following:

"Sec. 1506. Reports on student enrollment and graduation rates."

SEC. 506. REPORTS ON STUDENT ENROLLMENT AND GRADUATION RATES.

(a) Student Enrollment and Graduation Rates.—Part E of title I of the Elementary and Secondary Education Act of 1965 (as amended by section 502) (20 U.S.C. 6301 et seq.) is amended by adding at the end the following:
(8) Pell Grant recipients are more likely to graduate with student loan debt and to amass more debt than other student borrowers. Increasing the maximum Pell Grant to $5,100 would help remedy this disparity.

(b) Sense of the Senate.—It is the sense of the Senate that—

(1) the maximum Pell Grant should be increased to $5,100 during award year 2006-2007; and

(2) the maximum Pell Grant amount set by Congress should be the amount eligible students receive.

SEC. 903. ESTABLISHMENT OF A PELL DEMONSTRATION PROGRAM.

(a) Findings.—Congress finds that—

(1) the desire of low-income students to receive a Federal Pell Grant as long as the student is income-eligible and has not received a bachelor’s degree.

(2) By encouraging persistence and degree acquisition in a timely manner, the Federal Government, in effect, saves money—

(A) by reducing the courses that do not lead to a degree; and

(B) by helping students get the financial benefits of a college degree as soon as possible.

(b) Pell Demonstration Program.—

(1) Authorization.—The Secretary of Education shall establish a demonstration program to allow ability of low-income students to complete the students’ degree within 150 percent of the time expected to complete such degree.

(2) Grants.—The Secretary of Education shall award competitive grants to institutions of higher education to enable students who are eligible to receive Federal Pell Grants under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.) to enroll in courses in the summer at such institutions to expedite the students’ degree within the institutions.

(3) Authorization of Appropriations.—There is authorized to be appropriated to carry out this subsection $500,000,000 for the period of fiscal years 2006 through 2008.

TITLE IX—TUITION FREE COLLEGE FOR MATHEMATICS, SCIENCE, AND SPECIAL EDUCATION TEACHERS

SEC. 901. PURPOSE.

It is the purpose of this title to make public colleges and universities, including two-year institutions of mathematics, science, and special education teachers and to provide additional assistance to students eligible to receive a Federal Pell Grant under part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.)

SEC. 902. TUITION FREE COLLEGE FOR MATHEMATICS, SCIENCE, AND SPECIAL EDUCATION TEACHERS.

(a) Additional Amounts for Teachers in Mathematics, Science, and Special Education.—

(1) Pell Loans.—Section 438(c)(4)(B) of the Higher Education Act of 1965 (20 U.S.C. 1078-10(c)(4)(B)) is amended by striking “$25,000” and inserting “$32,500”.

(2) Direct Loans.—Section 460(c)(3) of the Higher Education Act of 1965 (20 U.S.C. 1078a(c)(3)) is amended by striking “$32,500” and inserting “$35,000”.

(b) Effective Date.—The amendments made by this section shall apply only with respect to eligible individuals who are new borrowers on or after October 1, 1998.

SEC. 903. OFFSET FOR TUITION FREE COLLEGE FOR MATHEMATICS, SCIENCE, AND SPECIAL EDUCATION TEACHERS.

(a) Special Allowances.—


1(b)(2)(B)) is amended (as defined in section 1087j(c)(3) of the Higher Education Act of 1965 (20 U.S.C. 1087j(c)(3)) to mean the following:

(1) the Secretary of Education as a result of reduced expenditures under section 438 of the Higher Education Act of 1965 (20 U.S.C. 1087j–1) incurred by the enactment of subsection (a) shall first be used by the Secretary for loan cancellation and loan forgiveness for teachers under sections 438J and 460 of the Higher Education Act of 1965 (20 U.S.C. 1078–10, 1087j–1), as amended by section 902 of this Act.

(b) Amounts of Reduction.—Any funds available to the Secretary of Education for fiscal year 2005 under such section.

(c) Formula for Calculation.—The amount which bears the same ratio to the remaining funds as the amount the nonprofit lender uses the payment received pursuant to subparagraph (A) to confer grant or scholarship benefits to students who are eligible to receive Federal Pell Grants under part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.)

(D) The amount is phased in over a period of fiscal years 2006 through 2008.

(V) The nonprofit lender is subject to public oversight through either a State charter, or through not less than 50 percent of the non-profit lender’s board of directors consisting of State appointed representatives.

(W) The nonprofit lender does not engage in the marketing of the relative value of programs under part B or title IV of the Higher Education Act of 1965 as compared to programs under part D of title IV of the Higher Education Act of 1965, nor does the non-profit lender engage in the marketing of loans or programs offered by for-profit lenders.

The section shall not be construed to prohibit the non-profit lender from conferring basic information on lenders under part B of title IV of the Higher Education Act of 1965 and the related benefits offered by such non-profit lenders.

SECTION 1001. EXPANSION OF DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) Amount of Deduction.—Subsection (b) of section 222 of the Internal Revenue Code of 1986 (relating to deduction for qualified tuition and related expenses) is amended to read as follows:

‘‘(b) Limitations.—

(1) Dollar Limitations.—

(A) In general.—The amount allowed as a deduction under subsection (a) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

(B) Amount of Reduction.—The amount determined under this subparagraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

(i) the excess of—

(A) the taxpayer’s modified adjusted gross income for such taxable year, over

(B) the applicable dollar amount.

(ii) $65,000 ($130,000 in the case of a joint return), bears to

(iii) the applicable dollar amount.

(C) Modified Adjusted Gross Income.—

For purposes of this paragraph, the term ‘‘modified adjusted gross income’’ means the adjusted gross income of the taxpayer for the taxable year determined—

(i) without regard to this section and sections 911, 951, and 953 and

(ii) after the application of sections 86, 135, 137, 219, 221, and 469.

For purposes of the sections referred to in clause (ii), the modified adjusted gross income shall be determined without regard to the deduction allowed under this section.

Applicable dollar amount:

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollar Amount</th>
</tr>
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<tbody>
<tr>
<td>2005 and 2006</td>
<td>$6,000</td>
</tr>
<tr>
<td>2007 and 2008</td>
<td>$8,000</td>
</tr>
<tr>
<td>2009 and 2010</td>
<td>$10,000</td>
</tr>
<tr>
<td>2011 and thereafter</td>
<td>$12,000</td>
</tr>
</tbody>
</table>
(D) INFLATION ADJUSTMENTS.—

(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2005, both of the dollar amounts in subparagraph (C)(i) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘2004’ for ‘1992’.

(2) ROUNDING.—If any amount as adjusted under subparagraph (C) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(3) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No credit shall be allowed by this section for the taxable year if a deduction under section 151 with respect to such individual is allowed to another taxpayer for the taxable year beginning in the calendar year in which such individual’s taxable year begins.

(4) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only if the amount paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan.

(e) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED EDUCATION LOAN.—The term ‘qualified education loan’ has the meaning given such term by section 36A(b)(3).

(2) ELIGIBLE STUDENT.—The term ‘eligible student’ has the meaning given such term by section 36A(b)(3).

(c) DEDUCTION MADE PERMANENT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunlight of provision) shall not apply to the amendments made by section 431 of such Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2004.

SEC. 1093. CREDIT FOR INTEREST ON HIGHER EDUCATION LOANS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 relating to nondeductible personal credits is amended by inserting the following in place of the heading of such subpart:

(b) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against any tax imposed by this chapter for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

(c) MAXIMUM CREDIT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by subsection (a) for the taxable year shall not exceed $1,500.

(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

(A) IN GENERAL.—The modified adjusted gross income of the taxpayer for the taxable year exceeds $50,000 ($100,000 in the case of a joint return), the amount which would (but for such allowance as a credit under this section) be treated as an item of gross income determined without regard to sections 199, 222, 911, 931, and 933.

(C) INFLATION ADJUSTMENT.—In the case of any beginning after 2005, the $50,000 and $100,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘2004’ for ‘1992’.

(D) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only if the amount paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan.

(e) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED EDUCATION LOAN.—The term ‘qualified education loan’ has the meaning given such term by section 36A(b)(3).

(2) ELIGIBLE STUDENT.—The term ‘eligible student’ has the meaning given such term by section 36A(b)(3).

(c) DEDUCTION MADE PERMANENT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunlight of provision) shall not apply to the amendments made by section 431 of such Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2004.

SEC. 1095. HOPE AND LIFETIME LEARNING CREDITS TO BE REFUNDABLE.

(a) CREDIT TAKEN.—Refundable.—Section 25A of the Internal Revenue Code of 1986 (relating to Hope and Lifetime Learning credits) is hereby moved to subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25B the following new item:

Sec. 25C. Interest on higher education loans.

(b) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against any tax imposed by this chapter for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

(c) MAXIMUM CREDIT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by subsection (a) for the taxable year shall not exceed $1,500.

(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

(A) IN GENERAL.—The modified adjusted gross income of the taxpayer for the taxable year exceeds $50,000 ($100,000 in the case of a joint return), the amount which would (but for such allowance as a credit under this section) be treated as an item of gross income determined without regard to sections 199, 222, 911, 931, and 933.

(C) INFLATION ADJUSTMENT.—In the case of any beginning after 2005, the $50,000 and $100,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘2004’ for ‘1992’.

(D) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only if the amount paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan.

(e) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED EDUCATION LOAN.—The term ‘qualified education loan’ has the meaning given such term by section 36A(b)(3).

(2) ELIGIBLE STUDENT.—The term ‘eligible student’ has the meaning given such term by section 36A(b)(3).

(c) DEDUCTION MADE PERMANENT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunlight of provision) shall not apply to the amendments made by section 431 of such Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2004.

SEC. 1096. HOPE AND LIFETIME LEARNING CREDITS TO BE REFUNDABLE.

(a) CREDIT TAKEN.—Refundable.—Section 25A of the Internal Revenue Code of 1986 (relating to Hope and Lifetime Learning credits) is hereby moved to subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25B the following new item:

Sec. 25C. Interest on higher education loans.

(b) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against any tax imposed by this chapter for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

(c) MAXIMUM CREDIT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by subsection (a) for the taxable year shall not exceed $1,500.

(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

(A) IN GENERAL.—The modified adjusted gross income of the taxpayer for the taxable year exceeds $50,000 ($100,000 in the case of a joint return), the amount which would (but for such allowance as a credit under this section) be treated as an item of gross income determined without regard to sections 199, 222, 911, 931, and 933.

(C) INFLATION ADJUSTMENT.—In the case of any beginning after 2005, the $50,000 and $100,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘2004’ for ‘1992’.

(D) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only if the amount paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan.

(e) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED EDUCATION LOAN.—The term ‘qualified education loan’ has the meaning given such term by section 36A(b)(3).

(2) ELIGIBLE STUDENT.—The term ‘eligible student’ has the meaning given such term by section 36A(b)(3).

(c) DEDUCTION MADE PERMANENT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunlight of provision) shall not apply to the amendments made by section 431 of such Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2004.

By Mr. KENNEDY (for himself, Mr. Reid, Ms. Stabenow, Mr. Corzine, Mr. Schumer, Ms. Mikulski, Mr. Akaka, Mr. Inouye, Mr. Levin, Mr. Kerry, Mr. Lautenberg, Mr. Rockefeller, Mr. Dodd, Mr. Pryor, and Mr. Duren bin).
will not rest until that goal is achieved.

The worsening crisis in health care is caused by skyrocketing costs, declining insurance coverage, and less security for every family. Businesses—especially small businesses—find it increas-
ingly difficult to provide decent coverage for their employees. Companies struggling with foreign competition are at an every-larger competitive dis-
advantage because of their constantly rising costs.

Last year, the percentage of the Na-
tion’s gross domestic product devoted to health was 15.5%, the highest in our history. Since 2000, annual spending on health care has risen from $1.3 trillion to $1.7 trillion, an increase of almost half a trillion dollars in just four years.

Even worse, insurance premiums have soared by 95 percent during those four years. The cost of insurance for a family has climbed by almost $3,000. Last year, the cost of the premiums for family coverage averaged $10,000, and was much higher for many families.

Drug costs are also out of control. According to current data, they rose 17 percent in the first three years of the Bush Administration. Too many pa-
tients are cutting the pills their doc-
tors prescribe in half or going without them altogether, because they can’t af-
ford the drugs they need to treat or prevent disease.

Even Medicare premiums are out of control. The largest premium increase in Medicare’s history went into effect just three weeks ago. Since President Bush took office, Medicare premiums have climbed by 72 percent. Senior citi-
zens, with an average income of $15,000, now have to pay almost $1,000 a year for their Part B premiums under Medi-
care. The recent report of the Medicare trustees revealed the stunning revela-
tion that Medicare cost sharing and premiums will soon eat up more than 40 percent of the total Social Security benefit of the typical 65 year-old.

As a proportion of Gross Domestic Product spent on health care, America is first in the world by a large margin. We spend 30 percent more than the Swiss who are number two, a third more than the Germans, fifty percent more than the French and the Cana-
dians, and seventy-eight percent more than the Japanese.

These extraordinarily high levels of health spending might be justified if they produced dramatically better health care for American people. But they don’t. Among the world’s leading industrialized countries, the United States ranks 22nd in average life expectancy and 25th in infant mor-
tality.

We also face a worsening crisis of the uninsured. Since President Bush took office, the number of uninsured Ameri-
cans has increased by a shameful mil-
lion a year. Today, 45 million Ameri-
cans have no coverage. Between 2001 and 2004, five million jobs offering health insurance were lost.

Even these figures understate the problem. Over a two-year period, 82 million Americans—one out of every three non-elderly Americans—will be uninsured for a significant period of time.

Tragically, eight and a half million children are uninsured and may well be denied the opportunity for a healthy start in life that should be the birth-
right of every child. Even people who have health insurance today cannot count on it being there for them to-
morrow. No American family is more than one employer de-
cision away from being uninsured.

The uninsured are vulnerable not only to unaffordable costs, but to sub-
standard or health care or no care at all. In any given year, one-third of the uninsured go without needed medical care. Two hundred seventy thousand children suffering from asthma never see a doctor. Three hundred fifty thou-
sand children with recurrent earaches never see a doctor. Three hundred fifty thousand children with severe sore throats never see a doctor.

Twenty-seven thousand uninsured women are diagnosed with breast can-
cer each year. They are twice as likely as insured patients to receive med-
ical treatment until their cancer has spread too far, and they are 50 percent more likely to die of the disease.

Thirty-two thousand Americans with heart disease go without life-saving and life-enhancing bypass surgery or angioplasty—because they are uninsured.

The bottom line is that whether the disease is AIDS or mental illness or canc-
er, the uninsured are left out and left behind. In hospital and out, young or old, black or brown or white, they receive less care, suffer more, and are 25 percent more likely to die prematurely than those who have insurance.

Even for those with insurance, the quality of health care is often need-
lessly compromised. Recent events cast serious doubt on the FDA’s ability to respond promptly when drugs it has ap-
proved turn out to have dangerous side effects. By some estimates, tens of thousands of unnecessary deaths have resulted.

The lack of coordination in our sys-
tem results in duplicative, costly, and often counterproductive tests and pro-
cedures. The Midwest Business Group on Health estimates that the cost of poor quality care to employers pro-
viding health insurance coverage is $2,000 per worker, and it’s paid in the form of higher insurance premiums. A recent study found that for many seri-
ous illnesses, patients are as likely to receive substandard care as they are to receive care meeting accepted profes-
sional standards.

In the face of this massive crisis in health care, the Administration and Congress have been missing in action for too long. The Bush Administration and the Republican leadership in Con-
gress defend the special interests that profit from the status quo and ignore the suffering of the millions of families victimized by their neglect.

Reports suggest in fact that the Ad-
ministration’s new budget will propose to cut Medicaid, which provides health care for more than 50 million of the poorest of the poor. The deficit must be addressed—but it was created by the Administration’s tax breaks for the wealthy and the sick should not have to bear the burden of reducing it. That’s the wrong priority and the wrong values.

The legislation we are offering today will not solve all these problems, but it is a good start and we are committed to finishing the job.

The Affordable Health Care Act guar-
antees that every child in America will have quality health care coverage.

It reduces health costs substantially, by making FDA-approved drugs avail-
able at the same fair prices available to Canadians and Europeans, rather than the inflated prices charged to U.S.

patients.

It takes a giant step toward adoption of modern information technology in health care, which has the potential to dra-
matically improve the quality of care and dramatically reduce its cost—
by as much as $140 billion a year. It also improves quality by giving the FDA additional authority to monitor the safety of approved drugs.

It addresses the special burden faced by small businesses by offering tax credits to reduce the premiums they pay to cover their employees. It also establishes a demonstration program in 25 cities to see if a successful pro-
gram in Michigan to expand insurance coverage for small businesses can be replicated elsewhere. Finally, our bill includes a sense of the Senate resolu-
tion to put Congress firmly on record against destructive cuts in Medicaid.

Affordable health care is a high pri-
ority for every family, and it should be an equally high priority for this Con-
gress. We face a crisis, and it is time to act. Senate Democrats are committed to guarantining the basic right to health care for all Americans, and when we say “all”, we mean “all”.

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. 16

Be it enacted by the Senate and House of Rep-
resentatives of the United States of America in Con-
gress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Affordable Health Care Act”.

(b) TABLE OF CONTENTS.—The table of con-
tents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—MAKING PRESCRIPTION DRUGS MORE SAFE AND AFFORDABLE

Subtitle A—Access to Prescription Drugs

Sec. 101. Findings.

Sec. 102. Repeal of certain section regarding importation of prescription drugs.

Sec. 103. Importation of prescription drugs; waiver of certain import re-
strictions.
Sec. 104. Additional waivers regarding personal importation; enforcement policies of Secretary.

Sec. 105. Disposition of certain drugs denied importation into United States.

Sec. 106. Civil actions regarding property.

Sec. 107. Wholesale distribution of drugs; Statements regarding prior sale or purchase, or trade.

Sec. 108. Repeal of importation exemption under Controlled Substances Import and Export Act.

Sec. 109. Effect on administration practices.

Subtitle B—Ensuring Drug Safety

Sec. 121. Drug safety.

Sec. 122. Report by GAO on drug safety.

TITLE II—MODERNIZING THE HEALTH CARE SYSTEM

Sec. 201. Amendment to the Public Health Care System.


TITLE III—MAKING PRESCRIPTION DRUGS MORE SAFE AND AFFORDABLE FOR CHILDREN AND PREGNANT WOMEN

Subtitle A—Covering all Children

Sec. 300. Findings.

Chapter I—Expanded Coverage of Children and SCHIP

Sec. 301. State option to receive 100 percent of the cost for Medicaid and SCHIP.

Sec. 302. Elimination of cap on SCHIP funding for States that expand eligibility for children.

Chapter II—State Options for Incremental Child Care Coverage Expansions

Sec. 311. State option to enroll low-income children of State employees in SCHIP.

Sec. 312. State option for passive renewal of eligibility for children under medicaid and SCHIP.

Chapter III—Tax Incentives for Health Insurance Coverage of Children

Sec. 321. Refundable credit for health insurance coverage of children.

Sec. 322. Forfeiture of personal exemption for any child not covered by health insurance.

Chapter IV—Miscellaneous

Sec. 331. Requirement for group market health insurers to offer dependant coverage option for workers with children.

Sec. 332. Effective date.

Subtitle B—Covering Pregnant Women

Sec. 351. State option to expand or add coverage of pregnant women under the medicaid program and State Children's Health Insurance Program.

Sec. 352. Optional coverage of legal immigrants under the medicaid program and SCHIP.

Sec. 353. Promoting cessation of tobacco use under the maternal and child health services block grant program.

Sec. 354. Promoting cessation of tobacco use under the maternal and child health services block grant program.

Sec. 355. State option to provide family planning services and supplies to individuals with incomes that do not exceed a State’s income eligibility level for medical assistance.

Sec. 356. State option to extend the probation period for provision of family planning services and supplies.

Sec. 357. State option to provide wrap-around SCHIP coverage to children who have other health coverage.

Sec. 358. Innovative outreach programs.

Subtitle C—Affirming the Importance of Medicaid

Sec. 361. Sense of the Senate.

TITLE IV—REDUCING HEALTH CARE COSTS FOR SMALL EMPLOYERS

Subtitle A—Tax Relief

Sec. 401. Refundable credit for small business employees health insurance expenses.

Sec. 402. State option to provide wrap-around Medicaid.

Sec. 411. Three-share programs.

 TITLE A—Access to Prescription Drugs

Sec. 101. Findings.

Congress finds that—

(1) Americans unjustly pay up to 5 times more to fill their prescriptions than consumers in other countries.

(2) The United States is the largest market for pharmaceuticals in the world, yet American consumers pay the highest prices for brand pharmaceuticals in the world.

(3) A prescription drug is neither safe nor effective to an individual who cannot afford it;

(4) allowing and structuring the importation of prescription drugs to ensure access to safe and affordable drugs approved by the Food and Drug Administration will provide a level of safety to American consumers that they do not currently enjoy;

(5) American seniors alone will spend $1,800,000,000,000 on pharmaceuticals over the next 10 years; and

(6) opening pharmaceutical markets that do not exceed a State planning services and supplies grants under the medicaid program and SCHIP.

Sec. 102. Repeal of Certain Section Regarding Importation of Prescription Drugs.


Sec. 103. Importation of Prescription Drugs; Waiver of Certain Import Restrictions.

(a) In General.—Chapter VIII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381 et seq.), as amended by section 102, is further amended by inserting after section 803 the following:

**SEC. 804. COMMERCIAL AND PERSONAL IMPORTATION OF PRESCRIPTION DRUGS.—**

(1) Importation of Prescription Drugs.—

(i) In General.—The Secretary shall in accordance with section 803 provide by regulation that, in the case of qualifying drugs imported or offered for import into the United States from registered importers or by registered importers:

(A) the limitation on importation that is established in section 801(d)(1) is waived; and

(B) the standards referred to in section 801(a) regarding admission of the drugs are subject to subsection (g) of this section (including with respect to qualifying drugs to which section 801(d)(1) does not apply).

(ii) Importation of Qualifying Drug—A qualifying drug may not be imported under paragraph (1) unless—

(A) the drug is imported by a pharmacy or a wholesaler that is a registered importer;

(B) the drug is imported by an individual for personal use or for the use of a family member of the individual (not for resale) from a registered drug importer;

(C) the drug is imported as a part of the personal importation by a qualified drug importer of the personal drug importer; and

(D) the drug is imported as a part of the personal importation by a registered drug importer of the personal drug importer.

(iii) Rule of Construction.—This section shall apply only with respect to a drug that is imported or offered for import into the United States—

(A) by a registered importer; or

(B) from a registered exporter to an individual.

(4) Definitions.—

(A) REGISTERED EXPORTER; REGISTERED IMPORTER.—For purposes of this section:

(i) The term ‘registered exporter’ means an exporter for which a registration under subsection (b) has been approved and is in effect.

(ii) The term ‘registered importer’ means a pharmacy, group of pharmacies, or a wholesaler for which a registration under subsection (b) has been approved and is in effect.

(iii) The term ‘registration condition’ means a condition that must exist for a registration under subsection (b) to be approved.

(iv) QUALIFYING DRUG.—For purposes of this section, the term ‘qualifying drug’ means a prescription drug, other than any of the following:

(A) a controlled substance, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802);

(B) a biological product, as defined in section 351 of the Public Health Service Act (42 U.S.C. 262);

(C) an infused drug, including a peritoneal dialysis solution.

(iv) An intravenously injected drug.

(C) A drug that is inhaled during surgery.

(5) Other Definitions.—For purposes of this section:

(ii) The term ‘importer’ means a pharmacy, group of pharmacies, or a wholesaler that is in the business of importing a drug into the United States or that, pursuant to submitting a registration under subsection (b), seeks to be in such business.

(iii) The term ‘pharmacist’ means a person licensed by a State to practice pharmacy, including the dispensing and selling of prescription drugs.

(iv) The term ‘pharmacy’ means a person that—

(I) is licensed by a State to engage in the business of selling prescription drugs at retail; and

(ii) employs 1 or more pharmacists.

(6) Use of Term ‘Prescription Drug’—The term ‘prescription drug’ means a drug that is described in section 503(b)(1).

(7) PERMITTED COUNTRY.—The term ‘permitted country’ means—

(i) Australia;

(ii) Canada;

(iii) a member country of the European Union as of January 1, 2003;

(iv) Japan;

(v) New Zealand; and

(vi) Switzerland.

(b) Registration of Importers and Exporters.—

(1) REGISTRATION OF IMPORTERS AND EXPORTERS.—A registration condition is that the importer or exporter involved (referred to in this subsection as a ‘registrant’) submits to the Secretary a registration containing the following:

(A) The name of the registrant and an identification of all places of business of the
registration that relate to qualifying drugs, including each warehouse or other facility owned or controlled by, or operated for, the registrant.

(2) The information as the Secretary determines to be necessary to demonstrate that the registrant is in compliance with registration conditions under subsection (a) (1), (2), or (3): (A) the importer, subsections (c), (d), (e), (g), and (j) (relating to the sources of exported drugs; the inspection of facilities of the importer; the payment of fees; and compliance with the standards referred to in sections 801(a); and maintenance of records and samples; or (B) the exporter, subsections (c), (d), (f), (g), (h), (i), and (j) (relating to the sources of exported drugs; the inspection of facilities of the exporter and the marking of qualifying drugs; the payment of fees; and compliance with the standards referred to in section 801(a); being licensed as a pharmacist, conditions for individual importation from Canada; and maintenance of records and samples).

(3) The agreement by the registrant that the registrant will not under subsection (a) import or export any drug that is not a qualifying drug.

(4) The agreement by the registrant to—

(A) provide to the exporter or importer a certification that the registrant is in compliance with the following:

(i) the importation by pharmacies, groups of pharmacies, wholesalers as registered importers of qualifying drugs under subsection (a); and

(ii) the importation by individuals of qualifying drugs under subsection (a).

(B) Approval or Disapproval of Registration.

(1) In General.—Not later than 90 days after the date on which a registrant submits to the Secretary a registration under paragraph (1), the Secretary shall notify the registrant whether the registration is approved or is disapproved. The Secretary shall disapprove a registration if there is reason to believe that the registrant is not in compliance with one or more registration conditions, and shall notify the registrant of such reason. In the case of a disapproved registration, the registrant shall subsequently notify the registrant that the registration is approved if the Secretary determines that the registrant is in compliance with such conditions.

(2) Changes in Registration Information.—Not later than 30 days after receiving a notice under paragraph (1)(G) from a registrant, the Secretary shall determine whether the change involved affects the approval of the registration of the registrant under paragraph (1), and shall inform the registrant of the determination.

(3) Publication of Contact Information for Registered Exporters.—Through the Internet website of the Food and Drug Administration, make readily available to the public a list of registered exporters, including contact information for the exporters. Promptly after the approval of a registration submitted under paragraph (1), the Secretary shall update the Internet website accordingly.

(4) Suspension and Termination.

(A) Suspension.—With respect to the effectiveness of a registration submitted under paragraph (1): (i) If the Secretary determines, after notice and opportunity for a hearing, that the registrant has failed to maintain substantial compliance with all registration conditions, the Secretary may suspend the registration. (ii) If the Secretary determines that, under color of the registration, the exporter or importer has imported a drug that is not a qualifying drug, or a drug that does not meet the criteria under subsection (a), or has exported a qualifying drug to an individual in violation of subsection (i)(1)(F), the Secretary shall immediately suspend the registration. A suspension is not subject to the provision by the Secretary of prior notice, and the Secretary shall provide to the registrant an opportunity for a hearing not later than 10 days after the date on which the registration is suspended.

(B) Termination.—The Secretary, after notice and opportunity for a hearing, may terminate the registration under paragraph (1) of a registrant if the Secretary determines that the registrant has engaged in a pattern or practice of violating 1 or more registration conditions, or if on 1 or more occasions the Secretary has under subparagraph (A) or (B) suspended the registration of the registrant. The Secretary may make the termination permanent, or for a fixed period of not less than 1 year. During the period in which the registration is terminated, any registration submitted under paragraph (1) by the registrant, or a person that is a partner in the export or import enterprise, or a principal officer in such enterprise, and any registration prepared with the assistance of the registrant or such a person, has no legal effect under this section.

(5) Sources of Qualifying Drugs.—A registration condition is that the exporter or importer involved agrees that a qualifying drug will under subsection (a) be exported or imported to the United States only if there is compliance with the following:

(i) The drug was manufactured in an establishment.

(ii) Required to register under subsection (b) of section 510, or

(iii) Inspected by the Secretary as provided by this section.

(ii) The establishment is located in the United States or in any foreign country, and the establishment manufactured the drug for distribution in the United States or for distribution in 1 or more of the permitted countries (without regard to whether in addition the drug was manufactured for distribution in a foreign country that is not a permitted country).

(6) The exporter or importer obtained the drug.

(A) Directly from the establishment; or

(B) Directly from an entity that, by contract with the exporter or importer.

(i) Provides to the exporter or importer a statement (in such form and containing such information as the Secretary may require) that the chain of custody from the establishment, identifies each prior sale, purchase, or trade of the drug (including the date of the transaction and the names and addresses of all parties to the transaction);

(ii) Agrees to permit the Secretary to inspect warehouses and other facilities of the entity for purposes of determining whether the facilities are in compliance with any standards under this Act that are applicable to facilities of that type in the United States; and

(iii) Has ensured, through such contractual relationships as may be necessary, that the Secretary has the same authority regarding other parties in the chain of custody from the establishment. The Secretary has under clauses (ii) and (iii) regarding such entity.

(7) The foreign country from which the importer will import the drug is a permitted country.

(8) The foreign country from which the exporter will export the drug is Canada.

(9) During any period in which the drug was not in the control of the manufacturer of the drug, the drug did not enter any country that is not a permitted country.

(10) The exporter or importer retains a sample of each lot of the drug sufficient for testing by the Secretary.

(d) Inspection of Facilities; Marking of Shipments.—

(1) Inspection of Facilities.—A registration condition is that, for the purpose of assisting the Secretary in determining whether the exporter involved is in compliance with all other registration conditions under this section—

(A) the exporter agrees to permit the Secretary—

(i) to conduct onsite inspections, including inspecting on agreement with the Secretary, the places of business of the exporter that relate to qualifying drugs, including each warehouse or other facility owned or controlled by, or operated for, the exporter; or

(ii) to have access, including on a day-to-day basis, to—

(i) the value of drugs exported by the exporter, subsections (c), (d), (f), (g), (h), (i), and (j) (relating to the sources of exported drugs; the inspection of facilities of the exporter and the marking of qualifying drugs; the payment of fees; and compliance with the standards referred to in section 801(a); and maintenance of records and samples); or

(ii) the addresses of all parties to the transaction); (v) the date of the transaction and the names and addresses of all parties to the transaction; and

(B) inspected by the Secretary as provided by this section.

(2) The establishment is located in the United States or in any foreign country, and the establishment manufactured the drug for distribution in the United States or for distribution in 1 or more of the permitted countries (without regard to whether in addition the drug was manufactured for distribution in a foreign country that is not a permitted country).

(3) The exporter or importer obtained the drug.

(A) Directly from the establishment; or

(B) Directly from an entity that, by contract with the exporter or importer.

(i) Provides to the exporter or importer a statement (in such form and containing such information as the Secretary may require) that the chain of custody from the establishment, identifies each prior sale, purchase, or trade of the drug (including the date of the transaction and the names and addresses of all parties to the transaction);

(ii) Agrees to permit the Secretary to inspect warehouses and other facilities of the entity for purposes of determining whether the facilities are in compliance with any standards under this Act that are applicable to facilities of that type in the United States; and

(iii) Has ensured, through such contractual relationships as may be necessary, that the Secretary has the same authority regarding other parties in the chain of custody from the establishment. The Secretary has under clauses (ii) and (iii) regarding such entity.

(4) The foreign country from which the exporter will export the drug is Canada.

(5) The foreign country from which the importer will import the drug is a permitted country.

(6) During any period in which the drug was not in the control of the manufacturer of the drug, the drug did not enter any country that is not a permitted country.

(7) The exporter or importer retains a sample of each lot of the drug sufficient for testing by the Secretary.

(8) The foreign country from which the exporter will export the drug is Canada.
(1) records of the exporter that relate to the export of such drugs, including financial records; and

(2) samples of such drugs;

(iii) including each warehouse or other facility of business of the importer that relate to the importer under subsection (b); and

(iv) to carry out any other functions determined by the Secretary to be necessary for the compliance of the importer, and

(B) the Secretary has assigned 1 or more employees of the Secretary to carry out the functions and duties of this subsection for the Secretary not less than every 3 weeks on the premises of places of businesses referred to in subparagraph (A)(i), and such an assignment remains in effect on a continuous basis.

(2) MARKING OF COMPLIANT SHIPMENTS.—A registration condition is that the exporter involved agrees to affix to each shipping container of qualifying drugs exported under subsection (a) such markings as the Secretary determines to be necessary to identify the shipment as being in compliance with all registration conditions. Markings under the preceding sentence—

(A) may be designed to prevent affixation of the markings to any shipping container that is not authorized to bear the markings; and

(B) may include—

(i) anti-counterfeiting or track-and-trace technologies;

(ii) the affixation of a U.S. label drug to the drug; and

(iii) the affixation of a U.S. label drug to the U.S. drug.

(3) CERTAIN DUTIES RELATING TO EXPORTERS.—Duties of the Secretary with respect to an exporter include the following:

(A) Verifying the chain of custody of a statistically significant sample of qualifying drugs from the establishment in which the drug was manufactured to the exporter, which may be accomplished by the use of anticommitting or track-and-trace technologies, if available.

(B) Randomly reviewing records of exports to individuals for the purpose of determining whether the drugs are being imported by the individuals in accordance with the conditions under subsection (i). Such reviews shall be conducted in a manner that will result in a statistically significant determination of compliance with all such conditions.

(C) Inspecting the affixing of markings under paragraph (2).

(D) Inspect as the Secretary determines is necessary by warehouses and other facilities of other parties in the chain of custody of qualifying drugs.

(E) Determine whether the exporter is in compliance with all other registration conditions.

(4) CERTAIN DUTY RELATING TO IMPORTERS.—Duties of the Secretary with respect to an importer include the following:

(A) As authorized under section 701, inspect not less than every 3 weeks, the places of business of the importer that relate to the receipt and distribution of a qualifying drug, including each warehouse or other facility owned or controlled by, or operated for, the importer at which qualifying drugs are received or from which they are distributed to pharmacies.

(B) During the inspections under subparagraph (A), verify the chain of custody of a statistically significant sample of qualifying drugs from the establishment in which the drug was manufactured to the importer, which may be accomplished by the use of anticommitting or track-and-trace technologies, if available.

(C) Inspect as the Secretary determines is necessary by warehouses and other facilities of other parties in the chain of custody of qualifying drugs.

(D) Determine whether the importer is in compliance with all other registration conditions.

(E) Importer Fees.—

(1) REGISTRATION FEES.—A registration condition is that the importer involved pays to the Secretary a fee of $10,000 due on the date on which the importer first submits the registration to the Secretary under subsection (b).

(2) INSPECTION FEES.—A registration condition is that the importer involved pays to the Secretary a fee of $10,000 at the beginning of this subsection on a semiannual basis, with the first fee due on the date that is 6 months after the date on which the registration of the importer under subsection (b) is first approved by the Secretary.

(3) AMOUNT OF INSPECTION FEE.—

(A) AGGREGATE TOTAL OF FEES.—The Secretary shall ensure that the aggregate total of fees collected under paragraph (2) shall not exceed 1 percent of the total price of drugs imported annually to the United States by registered importers under this section.

(B) LIMITATION.—The aggregate total of fees collected under paragraph (2) shall not exceed 1 percent of the total price of drugs imported annually to the United States by registered importers under this section.

(C) INDIVIDUAL IMPORTER FEE.—The Secretary shall annually adjust the fees under paragraph (2) to ensure that the fees accurately reflect the actual costs referred to in subparagraph (A) and do not exceed, in the aggregate, 1 percent of the total price of drugs imported annually to the United States under this section.

(D) USE OF FEES.—Subject to appropriations Acts, fees collected by the Secretary under paragraphs (1) and (2) are available to the Secretary to carry out the functions and duties of this section, to the extent necessary, to pay the costs of administering this section with respect to registered importers for a fiscal year, including—

(i) inspection of the facilities of importers under subsection (d)(6);

(ii) reviewing qualifying drugs offered for import to importers; and

(iii) determining the compliance of importers with regulations.

(5) CERTAIN DUTIES RELATING TO IMPORTS.—Duties of the Secretary with respect to the importation of qualifying drugs include the following:

(A) Inspecting the affixation of markings on each container of qualifying drugs imported under subsection (a) by registered importers under this section.

(B) Monitoring the affixing of markings under paragraph (2), including each warehouse or other facility of business of the importer that relate to the importer under subsection (b), and such inspections remain in effect on a continuous basis.

(C) Monitoring the affixation of markings under subsection (d).

(D) Inspecting the affixation of markings under subsection (d).

(E) Verifying the chain of custody of the drug from the establishment in which the drug was manufactured to the importer, and such inspections remain in effect on a continuous basis.

(F) Verifying the affixation of markings under subsection (d).

(G) Verifying the affixation of markings under subsection (d).

(H) Verifying the affixation of markings under subsection (d).

(I) Inspecting the affixation of markings under subsection (d).

(J) Inspecting the affixation of markings under subsection (d).

(K) Inspecting the affixation of markings under subsection (d).

(L) Inspecting the affixation of markings under subsection (d).

(M) Inspecting the affixation of markings under subsection (d).

(N) Inspecting the affixation of markings under subsection (d).

(O) Inspecting the affixation of markings under subsection (d).

(P) Inspecting the affixation of markings under subsection (d).

(Q) Inspecting the affixation of markings under subsection (d).

(R) Inspecting the affixation of markings under subsection (d).

(S) Inspecting the affixation of markings under subsection (d).

(T) Inspecting the affixation of markings under subsection (d).

(U) Inspecting the affixation of markings under subsection (d).

(V) Inspecting the affixation of markings under subsection (d).

(W) Inspecting the affixation of markings under subsection (d).

(X) Inspecting the affixation of markings under subsection (d).

(Y) Inspecting the affixation of markings under subsection (d).

(Z) Inspecting the affixation of markings under subsection (d).

(II) states that there is no difference in the price when the drug is imported from a country in the approved application for the U.S. label drug beyond the variations provided for in the application.

(III) includes each difference in the price when the drug is imported from a country in the approved application for the U.S. label drug beyond the variations provided for in the application.

(V) INSPECTION FEE.—Subject to paragraph (2)(A), the Secretary shall annually adjust the fees under paragraph (2) to ensure that the fees accurately reflect the actual costs referred to in subparagraph (A) and do not exceed, in the aggregate, 1 percent of the total price of drugs imported annually to the United States under this section.

(VI) CERTAIN DUTIES RELATING TO IMPORT—

(A) Monitoring the affixation of markings under subsection (d).

(B) Monitoring the affixation of markings under subsection (d).

(C) Monitoring the affixation of markings under subsection (d).

(D) Monitoring the affixation of markings under subsection (d).

(E) Monitoring the affixation of markings under subsection (d).

(F) Monitoring the affixation of markings under subsection (d).

(G) Monitoring the affixation of markings under subsection (d).

(H) Monitoring the affixation of markings under subsection (d).

(I) Monitoring the affixation of markings under subsection (d).

(J) Monitoring the affixation of markings under subsection (d).

(K) Monitoring the affixation of markings under subsection (d).

(L) Monitoring the affixation of markings under subsection (d).

(M) Monitoring the affixation of markings under subsection (d).

(N) Monitoring the affixation of markings under subsection (d).

(O) Monitoring the affixation of markings under subsection (d).

(P) Monitoring the affixation of markings under subsection (d).

(Q) Monitoring the affixation of markings under subsection (d).

(R) Monitoring the affixation of markings under subsection (d).

(S) Monitoring the affixation of markings under subsection (d).

(T) Monitoring the affixation of markings under subsection (d).

(U) Monitoring the affixation of markings under subsection (d).

(V) Monitoring the affixation of markings under subsection (d).

(W) Monitoring the affixation of markings under subsection (d).

(X) Monitoring the affixation of markings under subsection (d).

(Y) Monitoring the affixation of markings under subsection (d).

(Z) Monitoring the affixation of markings under subsection (d).

(II) states that there is no difference in the price when the drug is imported from a country in the approved application for the U.S. label drug beyond the variations provided for in the application.

(III) includes each difference in the price when the drug is imported from a country in the approved application for the U.S. label drug beyond the variations provided for in the application.
approved the drug for commercial distribution, or with respect to which such approval is sought, include the following:

(1) Information demonstrating that the person submitting the notice has been provided with a copy of the U.S. label drug that may be imported from a permitted country, under section 506A, not later than 120 days after the date on which the notice is submitted.

(II) OTHER APPROVAL NOTICES.—A notice under clause (i) to which subparagraph (D) applies shall be submitted to the Secretary not later than the day on which the drug for commercial distribution of the drug with the difference begins to be distributed in a permitted country for purposes of clause (i)(II), 2 active ingredients are related if they are active ingredients of the determination.

The chief executive officer of the manufacturer involved shall each certify in a manner acceptable to the Secretary that the information provided in the notice is complete and true; and the notice under clause (i) that includes a difference that would, under section 506A(c) or (d)(3)(B)(i), require the approval of a supplemental application application under section 506A(b)(1)(A), a supplemental application would not be required for the difference to be made to the U.S. label drug, or that statements made in the notice are not complete or accurate, with the name, address, and a brief statement of the qualifications of the person that made the translation.

(iii) CERTIFICATIONS.—The chief executive officer and the chief medical officer of the manufacturer involved shall each certify in the notice under clause (i) that—

(i) the information provided in the notice is complete and accurate; and

(ii) a copy of the notice has been provided to the Federal Trade Commission and to the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice (referred to in this subsection as the ‘Assistant Attorney General’).

(iv) NOTICES SUBMITTED UNDER CLAUSE (I) INCLUDE A DIFFERENCE THAT WOULD REQUIRE PRIOR APPROVAL.—In the case of a notice under subparagraph (C)(i) that includes a difference that would require an inspection by the Secretary of the establishment in which the drug is manufactured, such inspection shall be authorized by section 704.

(v) PRIORITY NOTICES.—In the case of a notice under subsection (a) from the U.S. label drug, the person that submits the notice shall pay to the Secretary a fee in the same amount as would apply if the person were paying a fee pursuant to section 704 that had been deposited in the special trust fund under section 704.

(vi) TIMING OF SUBMISSION OF NOTICES.—An application under section 505(b) required under clause (i) may not order that the importation of the drug involved cease; and

(ii) promptly notify registered importers, registered exporters, the Federal Trade Commission, and the Assistant Attorney General that the notice has been submitted with respect to the drug involved.

(i) The Secretary may not order that the importation of any, remains in effect; or provide that an order under clause (ii), if any, remains in effect;

(ii) notify the permitted country for purposes of obtaining approval for commercial distribution of the drug in that country, which if in a language other than English, shall be accompanied by an English translation verified to be complete and accurate, with the name, address, and a brief statement of the qualifications of the person that made the translation.

(2) If the Secretary determines that such a supplemental application regarding the U.S. label drug would not be approved, the Secretary shall—

(i) order that the importation of the drug involved from the permitted country cease, or provide that an order under clause (ii), if any, remains in effect;

(IV) include such additional information as the Secretary may require.

(V) TIMING OF SUBMISSION OF APPLICATION.—An application under section 505(b) required under clause (i) shall be submitted to the Secretary not later than the day on which the information referred to in clause (ii) is submitted to the government of the permitted country.

(3) SECTION 502; LABELING.—(A) Importation by registered importer.—In the case of a qualifying drug that is imported or offered for import by a registered importer, such drug
shall be considered to be in compliance with section 502 if the drug bears—

(i) a copy of the labeling approved for the drug under section 505, without regard to whether the copy bears the trademark involved;

(ii) the name of the manufacturer and location of the manufacturer; and

(iii) the number assigned by the manufacturer; and

(iv) the name, location, and registration number of the importer (if any) for purposes of subsection (a)(2)(B), the importation of a qualifying drug by an individual is in accordance with this subsection if the following conditions are met:

(A) the drug is accompanied by a copy of a prescription for the drug, which prescription:

(i) is valid under applicable Federal and State laws; and

(ii) was issued by a practitioner who, under the laws of the State in which the individual is a resident, or in which the individual receives care from the practitioner who issues the prescription, is authorized to administer prescription drugs;

(B) the drug is accompanied by a copy of the documentation that was required under the law or regulations of Canada as a condition of dispensing the drug to the individual.

(C) the copies referred to in paragraphs (A)(i) and (B) are marked in a manner sufficient—

(i) to indicate that the prescription, and the equivalent document in Canada, have been filled; and

(ii) to prevent a duplicative filling by another pharmacist;

(D) the individual has provided to the registered exporter a complete list of all drugs used by the individual for review by the individual who dispenses the drug;

(E) the quantity of the drug does not exceed a 90-day supply.

(F) the drug is not an ineligible subpart H drug. For purposes of this subsection, a prescription drug is an ‘ineligible subpart H drug’ if the drug was approved by the Secretary under subpart H of part 314 of title 21, Code of Federal Regulations (relating to accelerated approval), with restrictions under section 520 of such part to assure safe use, and the Secretary has published in the Federal Register a notice that the Secretary has determined that good cause exists to prohibit the drug from being imported pursuant to this subsection.

(G) the registered exporter ships a drug to an individual pursuant to subsection (a)(2)(B) and the drug is refused admission to the United States, a written notice shall be sent to the individual and to the exporter that informs the individual and the exporter of such refusal and the reason for the refusal.

(H) the drug is not a counterfeit or tampered with.

(I) the drug may be counterfeit; and

(J) the drug may have been prepared, packed, or held under insanitary conditions; or

(K) the facilities or conditions under which the drug is manufactured, processing, packing, or holding of the drug do not conform to general manufacturing practices.

(3) The Secretary shall provide a copy of the labeling, upon request of the exporter.

(4) Section 505; Standards for Refusing Admission.

(A) IN GENERAL.—For purposes of administrative and judicial procedure, there is a presumption that a drug approved for export or import under subsection (a) is in compliance with section 501 if the drug was approved by the Secretary and distributed by a pharmacist in the United States, without regard to whether the special labeling required by a pharmacist in the United States, with-
(C) DRUGS FOR IMPORT FROM CANADA.—The notices with respect to drugs to be imported from Canada are required under subsection (g)(2)(D) or (E) of such section 804 and that do not require approval under subsection (g)(2)(C)(i) of such section 804 shall be submitted to the Secretary not later than 90 days after the date of enactment of this Act. The notices with respect to drugs to be imported from Canada that are required under subsection (g)(2)(C)(i)(I) or (II) of such section 804 and that do not require approval under subsection (g)(2)(D) or (E) of such section 804 shall be submitted to the Secretary not later than 180 days after the date of enactment of this Act.

(D) DRUGS FOR IMPORT FROM OTHER COUNTRIES.—The notices with respect to drugs to be imported from Australia, Canada, New Zealand, or Switzerland that are required under subsection (g)(2)(C)(i) of such section 804 and that do not require approval under subsection (g)(2)(C)(ii) of such section 804 and that do not require approval under subsection (g)(2)(D) or (E) of such section 804 shall be submitted to the Secretary not later than 270 days after the date of enactment of this Act.

(2) PERSONAL IMPORTATION FROM CANADA.—Until the expiration of the 60-day period beginning on the date on which the interim rule under paragraph (1)(A) is promulgated, an individual may import a prescription drug from Canada for personal use or for the use of a family member of the individual (rather than for resale), subject to compliance with the following conditions:

(A) The drug is not—
(1) a controlled substance, as defined in section 812 of the Controlled Substances Act (21 U.S.C. 802);
(2) a biological product, as defined in section 351 of the Public Health Service Act (42 U.S.C. 262);
(3) an infused drug, including a peritoneal dialysis solution;
(4) an intravenously injected drug;
(5) a drug that is inhaled during surgery;
(6) a drug approved by the Secretary under part H of part 314 of title 21, Code of Federal Regulations (relating to accelerated approval) with restrictions under section 522 of such part to assure safe use.

(B) The drug is dispensed by a person licensed or registered under Federal or State law.

(C) The drug is accompanied by a copy of the prescription for the drug, which prescription—
(1) is valid under applicable Federal and State laws; and
(2) was issued by a practitioner who, under the law of the State of which the individual is a resident, is authorized to issue prescriptions for the drug, and who, if the individual receives care from the practitioner who issues the prescription, is authorized to administer prescription drugs.

(D) The drug is accompanied by a copy of the document that was required in Canada as a condition of dispensing the drug to the individual.

(E) Copies referred to in subparagraphs (C) and (D) are marked in a manner sufficient—

(i) to indicate that the prescription, and the equivalent document in Canada, have been filled; and
(ii) to prevent a duplicative filling by another person.

(F) The quantity of the drug does not exceed a 90-day supply.

(3) FACILITATION OF CANADIAN IMPORTS.—The Secretary shall, through the Secretary of Health and Human Services, make readily available to the public a list of persons licensed in Canada to dispense controlled substances to individuals in the United States who are lawfully imported from Canada under section 804 of such Act.

(4) EFFECT OF PROVISIONS.—The amendments made in subsection (d), section 6, and section 7 of this Act shall have no effect with respect to imports made under paragraph (2).

(a) AMENDMENT OF CERTAIN PROVISION.—Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by striking subsection (g) and inserting the following:

"(g) With respect to a prescription drug that is imported or offered for import into the United States by an individual who is not in the business of such importation, that drug is subject to subsection (a), if the Secretary shall, through the Secretary of Health and Human Services to review such an application that makes a materially false, fictitious, or fraudulent statement, or fail to provide promptly any information requested by the Secretary of Health and Human Services to review such an application;"

(b)cause there to be a difference (including a difference in active ingredient, route of administration, dosage form, strength, formula, manufacturing establishment, manufacturing process, or person that manufactures the drug) between a prescription drug for distribution in the United States under section 804 of such Act and a prescription drug for distribution in Australia, Canada, a member country of the European Union as of January 1, 2003, Japan, New Zealand, or Switzerland for the purpose of restricting importation of the drug to the United States under section 804 of such Act;"
of Food and Drug, determines that the difference was necessary to improve the safety or efficacy of the drug; or

(5) the person manufacturing the drug for distribution in the United States has given notice to the Secretary of Health and Human Services under subsection (g)(2)(C)(i) of section 804 of such Act that the drug for distribution in the United States is not different from a drug for distribution in not fewer than half of those countries.

(6) OTHER DENIALS.—It shall be an affirmative defense to a charge that a person has violated paragraph (1), (2), (3), (4), or (5) of subsection (a) that the higher prices charged to persons abroad for a person, the denial of supplies of prescription drugs to a person, the refusal to do business with a person, or the specific restriction or delay in supplies to a person is not based, in whole or in part, on—

(1) the person exporting or importing prescription drugs to the United States under section 804 of the Federal Food, Drug, and Cosmetic Act; or

(2) the person distributing, selling, or using prescription drugs imported to the United States under section 804 of such Act.

(d) DEFINITIONS.—In this section:

(1) PRESCRIPTION DRUG.—The term "prescription drug" has the meaning given such term in section 804 of the Federal Food, Drug, and Cosmetic Act.

(2) REGISTERED IMPORTER.—The term "registered importer" has the meaning given such term in section 804 of the Federal Food, Drug, and Cosmetic Act.

(3) REGISTERED EXPORTER.—The term "registered exporter" has the same meaning as in section 804 of the Federal Food, Drug, and Cosmetic Act.

(4) APPLICABILITY OF AMENDMENTS TO IMPORTATION UNDER THE PHARMACEUTICAL MARKET ACCESS AND FAIR TRADE ACT OF 2006.—

(A) SUBSECTION.—Subsection (a)(2) of section 27 of the Clayton Act (15 U.S.C. et seq.) (as amended by paragraph (1)) shall apply with respect to the importation of drugs from Canada under subsection (c)(2).

(B) NOTICES RESPECTING DRUG FOR IMPORTATION FROM CANADA.—Paragraphs (1) through (5) and (11) of subsection (a) of section 27 of the Clayton Act (15 U.S.C. et seq.) (as amended by paragraph (1)) shall apply with respect to notices required under section 381 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(b)(1)) that are not submitted by the dates required under subsections (c)(1)(C) and (D).

(5) EXHAUSTION.—

(A) IN GENERAL.—Section 271 of title 35, United States Code, is amended—

(1) by redesignating subsections (b) and (i) as (i) and (j), respectively; and

(B) by inserting after subsection (g) the following:

(b) Shall not be an act of infringement to use, offer to sell, or sell within the United States or to import into the United States any patented invention under section 804 of the Federal Food, Drug, and Cosmetic Act that was first sold abroad by or under authority of the owner or licensee of such patent;

(2) RULE OF CONSTRUCTION.—Nothing in the amendment made by paragraph (1) shall be construed to affect the ability of a patent owner to enforce their patent, subject to such amendment.

SEC. 104. ADDITIONAL WAIVERS REGARDING PERSONAL IMPORTATION; ENFORCEMENT AUTHORITY.

(a) IN GENERAL.—Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding at the end the following:

"(p)(1) Waivers under this subsection are in addition to, and independent of, the waiver pursuant to section 804(a)(2)(B).

(2) With respect to the standards referred to in subsection (a), the Secretary shall establish by regulation a waiver of such standards in the case of the importation by an individual of a drug into the United States in the following circumstances:

(A) The drug was dispensed to the individual while the individual was in the United States in the case of the importation into the United States of a prescription drug by a pharmacist or by a practitioner licensed by law to administer the drug, and the individual traveled from the United States with the drug;

(B) The individual is entering the United States and the drug accompanies the individual at the time of entry;

(C) The drug appears to the Secretary to be adulterated.

(D) The quantity of the drug does not exceed a 90-day supply.

(E) The drug is accompanied by a statement that the individual seeks to import the drug into the United States under a personal importation waiver.

(F) Such additional standards as the Secretary determines to be appropriate to protect the public health.

(G)Waivers under this paragraph are in addition to, and independent of, the waiver pursuant to section 804(a)(2)(B)

(3) With respect to the standards referred to in subsections (a) and (d)(1), the Secretary shall establish a waiver of such standards in the case of the importation into the United States of a drug that the individual seeks to import the drug into the United States under a personal importation waiver;

(H) The drug does not appear to the Secretary to be adulterated.

(I) The quantity of the drug does not exceed—

(1) a 90-day supply if the drug is dispensed in Australia, Canada, a member country of the European Union, Japan, New Zealand, or Switzerland; or

(2) a 14-day supply otherwise.

(J) The drug is accompanied by a statement that the individual is entering the United States and the drug accompanies the individual at the time of entry.

(K) The drug is approved for commercial distribution by the authority having jurisdiction in the foreign country in which the drug was obtained.

(L) The drug does not appear to the Secretary to be adulterated.

(M) Such additional standards as the Secretary determines to be appropriate to protect the public health.

(N) The Secretary may not administer any enforcement policy that has the effect of permitting the importation of a prescription drug into the United States in violation of section 351 of the Public Health Service Act.

(O) Such additional standards as the Secretary determines to be appropriate to protect the public health.

(q) The Secretary may not administer any enforcement policy that has the effect of permitting the importation of a prescription drug into the United States in violation of section 351 of the Public Health Service Act.

(b) ADDITIONAL WAIVER.—This Act and the amendments made by this Act shall not be construed as affecting the authority of the Secretary of Health and Human Services to establish a waiver of the standards referred to in section 801(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331(a)) with respect to the importation by an individual of a drug into the United States that does not meet such standards, provided that such waiver is consistent with the guidance, as in effect on January 1, 2004, that is provided in the item numbered 2 (relating to a specific situation involving violations of conditions (a) through (d) under the heading "Drugs, Biologics, and Devices" in chapter 9 of the FDA-ORA Regulatory Procedures Manual (relating to import operations)), in the subchapter relating to coverage of personal importations.

SEC. 105. DISPOSITION OF CERTAIN DRUGS DE-NIED ADMISSION INTO UNITED STATES.

(a) IN GENERAL.—Chapter VIII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381 et seq.), as amended by section 102, is further amended by adding at the end the following:

"SEC. 805. DISPOSITION OF CERTAIN DRUGS DE-NIED ADMISSION.

(a) IN GENERAL.—The Secretary of Homeland Security shall refuse admission to a drug that is imported or offered for import into the United States if the shipper has declared a value of less than $10,000 and the drugs are in violation of any standards referred to in subsection (d)(1), including any drugs imported or offered for import under enforcement policies prohibited under section 801(g).

(b) IMPORTATION UNDER SECTION 804.—In the case of a drug that under section 804 is imported or offered for import from a registered exporter, the reference in subsection (a) to standards referred to in section 801(a) or 801(d) shall be considered a reference to standards referred to in section 804(g)(4)(B).

(c) DESTRUCTION OF VIOLATIVE SHIPMENTS.—Drugs refused admission under subsection (a) or (b) shall be destroyed, subject to subsection (e). Section 801(b) does not authorize the delivery of the drugs pursuant to the provisions of a bond, and the drugs may not be exported.

(d) CERTAIN PROCEDURES.—

(1) IN GENERAL.—The civil action and destruction of drugs under this subsection may be carried out without notice to the importer, owner, or consignee of the drugs except as required by section 803(g) or section 804(i)(2). The issuance of receipts for the drugs, and recordkeeping activities regarding the drugs, may be carried out on a summary basis.

(2) OBJECTIVE OF PROCEDURES.—Procedures promulgated under paragraph (1) shall be designed toward the objective of ensuring that, with respect to efficiently utilizing Federal resources available for carrying out this section, a substantial majority of shipments of drugs subject to subsection (a) or (b) are identified and refused admission and destroyed.

(e) EVIDENCE EXCEPTION.—Drugs may not be destroyed under subsection (c) to the extent that the Attorney General of the United States determines that the drugs should be preserved as evidence or potential evidence with respect to an offense against the United States.

(f) RULE OF CONSTRUCTION.—This section may not be construed as having any legal effect on applicable law with respect to a shipment of drugs that is imported or offered for import into the United States and has a declared value equal to or greater than $10,000.

(g) PROCEDURES.—Procedures for carrying out section 805 of the Federal Food, Drug, and Cosmetic Act, as added by subsection (a), shall be established not later than 90 days after the date of the enactment of this Act.

SEC. 106. CIVIL ACTIONS REGARDING PROPERTY.

Section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333) is amended by adding after the end the following:

"(p)(1) If a person is alienating or disposing of property, or intends to alienate or dispose of property, that is obtained as a result of or in connection with the importation of a drug under enforcement policies prohibited under section 801(g), the Attorney General may commence a civil action in any Federal court to enjoin such alienation or disposition of property; or

(2) for a restraining order to—
SEC. 107. WHOLESALE DISTRIBUTION OF DRUGS; STATEMENTS REGARDING PRIOR SALE, PURCHASE, OR TRADE.

(a) Striking of Exemptions; Applicability to Registered Exporters.—Section 503(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 353(e)) is amended—

(1) in paragraph (1)—

(A) by striking “and is not the manufacturer or an authorized distributor of record of such drug”; and

(B) by striking “to an authorized distributor of record or”; and

(C) by striking subparagraph (B) and inserting the following:

“(B) The fact that a drug subject to subsection (b) is exported from the United States does not with respect to such drug exempt a person engaged in the business of the wholesale distribution of the drug from providing the statement described in subparagraph (A) to the person that receives the drug as the result of exportation of the drug.”

(C)(i) The Secretary may by regulation establish requirements that supersede subparagraph (A) (referred to in this subparagraph as ‘alternative requirements’) to identify the person to whom a drug subject to subsection (b) from the manufacturer of the drug throughout the wholesale distribution of the drug to a pharmacist who intends to sell that drug to a patient. The person identified in a wholesale distribution relationship with the manufacturer of the drug shall be the authorized distributor of record of such drug for purposes of the Food and Drug Administration.

(C)(ii) The Secretary shall, not less than every quarter, make public to the general audience a report concerning the results of the study conducted under subsection (a).

(C) The scientific literature.

(b) SUPPLEMENTS.

(b)(1) In general.—The sponsor of a drug that is approved or licensed under section 505(c) or under section 351 of the Public Health Service Act shall maintain at its corporate headquarters, or such other location as directed by the Secretary, a database that shall be readily accessible to the public;

(b)(2) the study conducted under subsection (a).

(c) approval or licensed under section 505(c) or under section 351 of the Public Health Service Act shall submit to the appropriate committees of Congress a report concerning the results of the study required under subsection (a) as a supplement to the application for the drug.

(c) PUBLIC DISCLOSURE.—The Secretary shall, not less than every quarter, make public each study required under subsection (a), including a description of, and the reason for, the study, the required completion date, and whether the study has been completed, through—

(1) a notice in the Federal Register; and

(2) a database that shall be readily accessible to the public through the Internet site of the Food and Drug Administration.

(d) CIVIL PENALTIES.

(d)(1) In general.—The Secretary may order the sponsor of a drug that is approved or licensed under section 505(c) or under section 351 of the Public Health Service Act to pay a civil penalty, subject to paragraph (2), if, after providing an opportunity for an informal hearing, the Secretary determines that—

(A) the sponsor has failed to complete a study required under subsection (a) by the date specified by the Secretary; and

(B) there is no legitimate reason for such failure.

(d)(2) AMOUNT OF PENALTIES.—The civil penalty order under paragraph (1) may be assessed for each day the completion of a required study of a drug is delayed in an amount that is not more than 3 times the gross revenue received by the sponsor for average sales of the drug in a day.

SEC. 121. DRUG SAFETY.

(a) IN GENERAL.—Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by inserting after section 56C the following:

“SEC. 507. DRUG SAFETY.

(1) PHASE IV STUDIES.—

(A) In general.—The Secretary may require that the sponsor of a drug that is approved or licensed under section 505(c) or under section 351 of the Public Health Service Act conduct one or more studies to be completed by a date after approval or licensing of such drug specified by the Secretary, that confirms or refutes an empirical or theoretical hypothesis of a significant safety issue with the drug, raised with respect to the drug or the class of the drug, found in—

(A) the MedWatch post-market surveillance system;

(B) a clinical or epidemiological study; or

(C) the scientific literature.

(b) SUPPLEMENTS.

(b)(1) In general.—The Secretary may require the sponsor of a drug that is approved or licensed under section 505(c) or under section 351 of the Public Health Service Act to pay a civil penalty, subject to paragraph (2), if, after providing an opportunity for an informal hearing, the Secretary determines that—

(A) the sponsor has failed to complete a study required under subsection (a) by the date specified by the Secretary; and

(B) there is no legitimate reason for such failure.

(b)(2) AMOUNT OF PENALTIES.—The civil penalty order under paragraph (1) may be assessed for each day the completion of a required study of a drug is delayed in an amount that is not more than 3 times the gross revenue received by the sponsor for average sales of the drug in a day.

SEC. 122. REPORT BY GAO ON DRUG SAFETY.

(a) IN GENERAL.—The Government Accountability Office shall provide for the conduct of a study concerning measures to increase the safety of prescription drugs, including—

(1) whether Federal funding levels are adequate to ensure drug safety and whether the operational and equivalency associated with the Federal budgetary process hampers planning;

(2) whether the lack of permanent leadership at the Food and Drug Administration has contributed to problems in decision-making and in transmitting information to the public concerning the safety of drugs;

(3) whether prolonged and rampant vacancies within the Food and Drug Administration have contributed to the ability of the Food and Drug Administration to properly examine drug safety; and

(4) whether conflicts of interest exist that unduly bias approvals or later reviews of drug safety;

(5) whether employees of the Food and Drug Administration who improperly threaten or face any barriers to raising concerns about drug safety;

(6) whether the procedure of the Food and Drug Administration for notifying the public of possible drug safety issues is appropriate and complied with;

(7) whether further measures or authorities are necessary to ensure the safety of drugs; and

(8) other matters determined appropriate.

(b) Report.—Not later than 90 days after the date of enactment of this Act, the Government Accountability Office shall prepare and submit to the appropriate committees of Congress a report concerning the results of the study conducted under paragraph (a). Such report shall include a proposal (including legislative language) for improving the safety of prescription drugs.

TITLE II—MODERNIZING THE HEALTH CARE SYSTEM

SEC. 201. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end thereof the following:

“TITLE XXIX—HEALTH CARE INFORMATION TECHNOLOGY

“SEC. 2901. DEFINITIONS.

(1) COVERAGE AREA.—The term ‘coverage area’ means the boundaries of a local health information infrastructure.

(2) DIRECTOR.—The term ‘Director’ means the Director of the Office of Health Information Technology.

(3) HEALTH CARE PROVIDER.—The term ‘health care provider’ means a hospital, ambulatory care facility, nursing facility, home health entity, health care clinic, community health center, group practice (as defined in section
(A) consistent with the standards developed in section 3001;

(B) permits the secure electronic transmission of information to other health care providers and public health entities; and

(C) allows for the collection, analysis, and reporting of data on adverse events, outcomes for the patient; and

that is likely to lead to a significant adverse warning is generated if an order is entered;

(iv) error notification procedures so that a warning is generated if an order is entered that is likely to lead to a significant adverse outcome for the patient; and

(v) error notification procedures so that a warning is generated if an order is entered that is likely to lead to a significant adverse outcome for the patient; and

(2) promote the adoption of health information technology among healthcare providers.

(3) AGENCY POLICIES.

(A) promote the adoption of health information technology among healthcare providers.

(4) ADMINISTRATION.

(A) promote the adoption of health information technology among healthcare providers.

(B) submit an implementation plan to the President at least 60 days prior to the proposed date of the implementation of such policy.

(C) APPROPRIATION OR DISAPPROVAL.

—Not later than 60 days after the date on which a proposal is received under subparagraph (B), the Office shall determine whether to approve or disapprove the implementation proposal. In making such determination, the Office shall consider whether the proposal is consistent with the national strategy described in paragraph (1). If the Office fails to make a determination within such 60-day period, such proposal shall be deemed to be approved.

—Except as otherwise provided for by law, a proposal submitted under subparagraph (B) may not be implemented unless such proposal is approved or deemed to be approved under subparagraph (C).

(5) COORDINATION.

The Office shall—

(A) encourage the development and adoption of clinical, messaging, and decision support health information data standards, pursuant to the requirements of section 2903;

(B) ensure the maintenance and implementation of health information data standards described in subparagraph (A);

(C) oversee and coordinate the health information technology efforts of the Federal Government;

(D) ensure the compliance of the Federal Government with Federally adopted health information technology data standards;

(E) ensure that the Federal Government consults and collaborates on decision making with respect to health information technology data standards described in subparagraph (A), and

(F) in consultation with private sector, adopt certification and testing criteria to determine if health information systems interoperate.

(6) COMMUNICATION.

The Office shall—

(A) act as the point of contact for the private sector with respect to the use of health information technology; and

(B) work with the private sector to collect and disseminate best health information technology standards developed for in this title and other interested parties; and

(7) TECHNICAL ASSISTANCE.

—The Office shall provide technical assistance concerning the implementation of health information technology to healthcare providers.

(8) FEDERAL REIMBURSEMENT.

—Not later than 60 days after the date of enactment of this title, the Office shall make recommendations to the President and the Secretary of Health and Human Services on changes to Federal reimbursement and payment structures that would encourage the adoption of information technology (IT) to improve health care quality.

(B) PLAN.

—Not later than 90 days after receiving recommendations under subparagraph (A), the Secretary shall provide to the relevant Committees of Congress a report that provides, with respect to each recommendation, a plan for the implementation, or an explanation as to why implementation is inadvisable, and periodically update recommendations to the President and the Secretary.

(9) RESOURCES.

The President shall make available to the Office, the resources, both financial and otherwise, necessary to enable the Director to carry out the purposes and perform the duties and responsibilities of the Office under this section.

(c) DETAIL OF FEDERAL EMPLOYEES.

Upon the request of the Director, the head of any Federal agency is authorized to detail, without reimbursement from the Office, any of the personnel of such agency to the Office to assist it in carrying out its duties under this section. Any such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

SEC. 2903. ENHANCING THE TRANSPARENCY OF HEALTH CARE INFORMATION TECHNOLOGY SYSTEMS.

(a) DEVELOPMENT, AND FEDERAL GOVERNMENT ADOPTION, OF STANDARDS.

(1) ADOPTION.

(A) IN GENERAL.

(2) FEDERAL LEADERSHIP.

(A) serve as the principal advisor to the President concerning health information technology;
"(2) REQUIREMENTS.—The standards developed and adopted under paragraph (1) shall be designed to—

(A) enable health information technology to be used to improve medical record collection and use of clinically specific data;

(B) promote the interoperability of health care information across health care settings;

(C) assure that standards shall be developed and adopted through the use of health information technology and standards, in collaboration with stakeholder organizations; and

(D) ensure the privacy and confidentiality of medical record information.

"(3) PUBLIC PRIVATE PARTNERSHIP.—Consistent with activities being carried out on the date of enactment of this title, the Secretary shall adopt such proposals as the Secretary determines to be appropriate or develop additional standards, in collaboration with standard setting organizations.

"(4) PRIVACY AND SECURITY.—The regulations promulgated by the Secretary under part C of title XI of the Social Security Act (42 U.S.C. 1320d et seq.) and sections 261, 262, 263, and 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–2) with respect to the privacy, confidentiality, and security of health information shall apply to the implementation of programs and activities under this title.

"(5) PILOT TESTS.—To the extent practical, the Secretary shall pilot test the health information technology data standards developed under paragraph (1) prior to their implementation.

"(6) DISSEMINATION.—

"(A) IN GENERAL.—The Secretary shall ensure that the standards adopted under paragraph (1) are widely disseminated to interested stakeholders:

(B) LICENSING.—To facilitate the dissemination and implementation of the standards developed and adopted under paragraph (1), the Secretary may license such standards, or utilize other means, to ensure the widespread use of such standards.

"(7) MODIFICATION OF STANDARDS.—

"(1) PURCHASE OF SYSTEMS BY THE SECRETARY.—Effective beginning on the date that is 1 year after the adoption of the technology standards pursuant to subsection (a), the Secretary shall acquire any health care information technology system unless such system is in compliance with the standards adopted under subsection (a), nor shall the Secretary acquire any proposed system after the Secretary determines that the system is not in compliance with such standards.

"(2) RECIPENTS OF FEDERAL FUNDS.—Effective on the date described in paragraph (1), no appropriated funds may be used to purchase any health care information technology system unless such system is in compliance with applicable standards adopted under subsection (a).

"(8) MODIFICATION OF STANDARDS.—The Secretary shall provide for ongoing oversight of the health information technology standards developed under subsection (a) to—

"(1) identify gaps or other shortcomings in such standards; and

"(2) modify such standards when determined appropriate or develop additional standards, in collaboration with standard setting organizations.

"SEC. 2904. LOAN GUARANTEES FOR THE ADOPTION OF HEALTH INFORMATION TECHNOLOGY INFRASTRUCTURES.—

"(a) IN GENERAL.—The Director shall guarantee, at reasonable terms and conditions, to entities that—

"(1) with respect to a loan guarantee described in subsection (a)(1)—

(iii) the terms, conditions, security (if any), repayment schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such percent per annum on the principal obligation outstanding as the Director determines to be reasonable, taking into account the range of interest rates prevailing in the private market for loans with similar maturities, terms, conditions, and security and the risks assumed by the United States; and

(ii) the loan would not be available on reasonable terms and conditions without the enactment of this section.

"(b) RECOVERY.—

(i) IN GENERAL.—The United States shall be entitled to recover from the applicant for a loan guarantee under this section the amount of any payment made pursuant to such loan guarantee, unless the Director for good cause waives such right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the loan was made.
‘‘(ii) MODIFICATION OF TERMS.—Any terms and conditions applicable to a loan guarantee under this section may be modified by the Secretary to the extent the Director determines are consistent with the financial interest of the United States.

‘‘(3) DEFAULTS.—The Director may take such action as the Director deems appropriate to protect the interest of the United States in the event of a default on a loan guarantee under this section, including taking possession of, holding, and using real property pledged as security for such a loan guarantee.

‘‘(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, such sums as may be necessary for each of fiscal years 2006 through 2011.

(2) AVAILABILITY.—Amounts appropriated under subparagraph (A) shall remain available for obligation until expended.

‘‘SEC. 2905. GRANTS FOR THE PURCHASE OF HEALTH INFORMATION TECHNOLOGY.

(a) IN GENERAL.—The Director may award grants to eligible entities to develop and implement local health information infrastructures to facilitate the development of interoperability across health care settings.

(b) ELIGIBILITY.—To be eligible to receive a grant under subsection (a) an entity shall—

(1) demonstrate financial need to the Director;

(ii) with respect to an entity desiring a grant—

(A) under subsection (a)(1), represent an independent consortium of health care stakeholders within a community that—

(i) includes—

(A) physicians (as defined in section 1881(r)(1) of the Social Security Act);

(B) hospitals; and

(iii) group health plans or other health insurance issuers (as such terms are defined in section 2791); and

(ii) may include any other health care providers or vendors;

(iv) under subsection (a)(2) be a health care provider that provides health care services to low-income and underserved populations;

(v) adopt the national health information technology standards developed under section 2903;

(vi) provide assurances that the entity shall submit to the Director regular reports on the activities carried out under the loan guarantee, including—

(A) a description of the financial costs and benefits of the project involved and of the entity to which such costs and benefits accrue;

(B) a description of the impact of the project on health care quality and safety; and

(C) a description of any reduction in duplicative or unnecessary care as a result of the project.

(vii) provide assurances that not later than 30 days after the development of the standard quality measures pursuant to section 2906, the entity shall submit to the Director regular reports on such measures, including provider level data and analysis of the impact of information technology on such measures;

(viii) prepare and submit to the Director an application at such time, in such manner, and containing such information as the Director may require;

(ix) agree to provide matching funds in accordance with subsection (g).

(c) USE OF FUNDS.—Amounts received under a grant under subsection (a) shall be used to—

(1) with respect to a grant described in subsection (a)(1)—

(A) to develop a plan for the implementation of a local health information infrastructure under this section;

(B) to establish systems for the sharing of data in accordance with the national health information technology standards developed under section 2903;

(C) to support, enhance, or upgrade a comprehensive, electronic health information technology system; and

(D) to maintain adequate security and privacy protocols;

(2) with respect to a grant described in subsection (a)(2)—

(A) to develop a plan for the purchase and implementation of health information technology;

(B) to purchase directly related integrated hardware and software to establish an interoperable and information technology system that is capable of linking to a national or local health care information infrastructure; and

(C) to train staff, maintain health information technology systems, and maintain adequate security and privacy protocols;

(3) maintain adequate security and privacy protocols; and

(4) carry out any other activities determined appropriate by the Director.

(d) SELECTION OF ELIGIBLE ENTITIES.—In awarding grants under this section, the Director shall give special consideration to eligible entities that—

(1) provide services to low-income and underserved populations; and

(2) agree to electronically submit the information described in paragraphs (4) and (5) of subsection (b) to the Secretary of Health and Human Services, the Secretary of Defense, and the Secretary of Veterans Affairs.

(e) SPECIAL CONSIDERATIONS FOR LOCAL HEALTH INFORMATION INFRASTRUCTURES.—In awarding grants under this section to local health information infrastructures, the Director shall give special consideration to eligible entities that—

(1) include at least 50 percent of the patients living in the designated coverage area;

(2) incorporate public health surveillance and reporting into the overall architecture of the proposed infrastructure program; and

(3) link local health information infrastructures.

(f) AREAS OF SPECIFIC INTEREST.—In awarding grants under this section, the Director shall include—

(1) entities with a coverage area that includes an entire State; and

(2) entities with a multi-state coverage area.

(g) MATCHING REQUIREMENT.—

(1) IN GENERAL.—The Director may not make a grant under this section to an entity unless the entity agrees that, with respect to the costs to be incurred by the entity in carrying out activities under this section, the entity will—

(A) provide, directly or through donations from public or private entities, an amount equal to not less than 20 percent of such costs ($1 for each $5 of Federal funds provided under the grant);

(B) incorporate public health surveillance and reporting into the overall architecture of the proposed infrastructure program; and

(C) to train staff, maintain health information technology systems, and maintain adequate security and privacy protocols;

(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required under paragraph (1) may be in cash or in kind, fairly evaluated, including equipment, health information technology, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

(h) AUTHORIZATION OF APPROPRIATIONS.—

‘‘SEC. 2906. STANDARDIZED MEASURES OF QUALITY HEALTH CARE AND DATA COLLECTION.

Title XXIX of the Public Health Service Act is added by section 2906 and amended by adding at the end the following:

‘‘SEC. 2906. STANDARDIZED MEASURES OF QUALITY HEALTH CARE.

(a) IN GENERAL.—

(1) COLLABORATION.—The Secretary of Health and Human Services, the Secretary of Defense, and the Secretary of Veterans Affairs (referred to in this section as the ‘‘Secretaries’), in consultation with the Quality Interagency Coordination Taskforce (as established by Executive Order on March 13, 1998), the Institute of Medicine, the Joint Commission on Accreditation of Healthcare Organizations, the National Committee for Quality Assurance, the American Hospital Association, the National Quality Forum, the Medicare Payment Advisory Committee, and other individuals and organizations determined appropriate by the Secretaries, shall establish and maintain a comprehensive set of quality measures to assess the effectiveness, timeliness, patient-centeredness, efficiency, equity, and safety of care delivered across all federally supported health delivery programs.

(2) DEVELOPMENT OF MEASURES.—Not later than 18 months after the date of enactment of this title, the Secretaries shall develop standardized sets of quality measures for each of the 20 priority areas for improvement in health care quality as identified by the Institute of Medicine in its 2001 ‘‘Priority Areas for National Action’’ or other areas as identified by the Secretaries in order to assist beneficiaries in making informed choices about health plans or care delivery systems. The selection of appropriate quality indicators under this subsection shall include the evaluation criteria formulated by clinical professionals, consumers, and data collection experts.

(3) PILOT TESTING.—Each federally supported health delivery program may conduct a pilot test of the quality measures developed under paragraph (2) that shall include a collection of patient-level data and a public release of comparative performance reports.

(b) PUBLIC REPORTING REQUIREMENTS.—The Secretaries, working collaboratively, shall establish public reporting requirements for physicians, institutional providers, and health plans in each of the federally supported health delivery program described in subsection (a). Such requirements shall provide that the entities described in the preceding sentence shall report to the appropriate Secretaries the measures developed under subsection (a).

(c) FULL IMPLEMENTATION.—The Secretaries, working collaboratively, shall implement all sets of quality measures and reporting requirements described in subsections (a) and (b) by not later than the date that is 1 year after the date on which the measures are developed under subsection (a)(2).

(January 24, 2005)
“(2) submit to Congress a report that de-
tails areas of clinical care requiring further research necessary to establish effective clinical treatments that will serve as a basis for additional public indicators.

“(e) COMPARATIVE QUALITY REPORTS.—Be-
ginning not later than 3 years after the date of en-
actment of this title, in order to make comparative information available to health care consumers, including mem-
bers of health disparity populations, health professionals, public health officials, re-
search on appropriate individuals and entities, the Secretaries shall provide for the pool-
ing, analysis, and dissemination of quality measures collected under this sec-
tion. Nothing in this section shall be con-
strued as modifying the privacy standards under the Health Insurance Portability and Ac-
countability Act of 1996 (Public Law 104–
191).

“(f) ONGOING EVALUATION OF USE.—The Secretary of Health and Human Services shall ensure the ongoing evaluation of the use of the health care quality measures es-

tablished under this section.

“(g) EVALUATION AND REGULATIONS.—

(A) IN GENERAL.—The Secretary shall, di-
rectly or indirectly through a contract with an-
other entity, conduct an evaluation of the colla-
borative efforts of the Secretaries to es-
tablish uniform health care quality measures and re-
porting requirements for federally sup-
ported health care delivery programs as re-
quired by subsection (a).

(B) REPORT.—Not later than 1 year after the date of en-
actment of this title, the Secre-
try of Health and Human Services shall submit a re-
port to the appropriate com-
mittees of Congress concerning the results of the evaluation under subparagraph (A).

“(h) DEFINITIONS. —In this section, the term ‘fed-
erally supported health delivery program’ means a program that is funded by the Fed-
eral Government under which health care items or services are delivered directly to pa-
tients.”

TITLE III—MAKING HEALTH CARE MORE AFFORDABLE FOR CHILDREN AND PREGNANT WOMEN

SUBTITLE A—Covering all Children

SEC. 301. FINANCIAL INCENTIVES TO COVER LOW-INCOME CHILDREN.

Congress makes the following findings:

(1) NEED FOR UNIVERSAL COVERAGE.—

(A) Currently, there are 9,000,000 children under the Federal poverty line that are uninsured. One out of every 8 children are uninsured while 1 in 5 Hispanic children and 1 in 7 African American children are uninsured. Three-

quarters, or 7,600,000, of these children are eligible but not enrolled in the medicaid program or the State children’s health insurance program (SCHIP), Long-
ranges from 1 in 3 children in low-income families to be uninsured. It is estimated that 65 per-
cent of uninsured children have at least 1

parent working full time over the course of the year.

(B) In 2003, 25,000,000 children were enrolled under the health insurance portability and accountability act (Public Law 104–

191).

(C) It is estimated that 50 percent of all im-

migrating children in families with in-

come below 150 percent of the Federal poverty line are uninsured. In States without programs to cover immi-

grant children, 57 percent of non-citizen children are 

uninsured.

(D) Children in the Southern and Western parts of the United States were nearly 1.7 times more likely to be uninsured than chil-

dren in the Northeast. In the Northeast, 9.4 per-
cent of children are uninsured while in the Midwest, 8.3 percent are uninsured. The South’s rate of uninsured children is 14.3 per-

cent while the West has an uninsured rate of 13 percent.

(E) Young children in the United States are not fully up to date on their basic immuniza-

tions. One-third of children with chronic asthma do not get a prescription for the nec-

essary medications to manage the disease.

(F) States report that many children are on the rise. Children most at risk of not being insured are those in the Northeast. In the Northeast, 9.4 percent of children are uninsured while in the Midwest, 8.3 percent are uninsured.

(G) There are 7,600,000 young adults be-
tween the ages of 19 and 20. In the United States, approximately 28 percent, or 2,100,000 individuals, of this group are uninsured.

(H) Minority children are less likely to receive proven treatments such as pre-

scription medications to treat chronic dis-
ease.

(2) ROLE OF THE MEDICAID AND STATE CHIL-

DREN’S HEALTH INSURANCE PROGRAMS.—

(A) The medicaid program and SCHIP serve as a crucial health safety net for 30,000,000 children. During the recent economic down-
turn and the highest number of uninsured in-

dividuals ever recorded in the United States, the medicaid program and SCHIP offset losses in employer coverage. While the number of children living in low-income families increased by 2,000,000 between 2000 and 2003, the number of uninsured children fell due to the medicaid program and SCHIP.

(B) In 2003, 25,000,000 children were enrolled in the medicaid program, accounting for ½ of all enrollees and only 10 percent of total pro-

gram costs.

(C) The medicaid program and SCHIP do more than just fill the gaps. Gains in pub-
lic coverage have reduced the percentage of low-income uninsured by a ½ from 1997 to 2003. In addition, a recent study found that publicly-insured children are more likely to obtain medical care, preventive care and dental care than similar low-income pri-

vately-insured children.

(D) Publicly funded programs such as the medicaid program and SCHIP actually im-

prove children’s health. Children who are currently insured by public programs are in-

fected with 10 times more likely to be uninsured than those in the Northeast.

(E) States report that children en-

rolled in public insurance programs experi-

enced a 68 percent improvement in measures of school performance.

(F) Despite the success of expansions in general under the medicaid program and SCHIP, many States have stopped doing aggressive outreach and have raised premiums and cost-

sharing requirements on families under these programs. In addition, 8 States stopped en-
rolling SCHIP children for a period of time be-


tween April 2003 and July 2004. As a result, SCHIP enrollment fell by 200,000 children for the first time in the program’s history.

(G) SCHIP expands the number of children covered through SCHIP do not re-

main in the program due to reenrollment barriers. A recent study found that between 10 and 40 percent of these children “lost” in the system. Difficult renewal policies and reenrollment barriers make seamless cov-

erage for children nearly impossible and indi-

cate that as many as 67 percent of children who were eligible but not enrolled for SCHIP had applied for coverage but were denied due to procedural issues.

(H) While the medicaid program and SCHIP expansions to date have done much to offset what otherwise would have been a sig-

nificant loss of coverage among children be-
cause of declining access to employer cov-

erage, the shortcomings of previous expan-
sions, such as the failure to enroll all eligible children and caps on enrollment in SCHIP because of under-funding, also are clear.

CHAPTER I—EXPANDED COVERAGE OF CHILDREN UNDER MEDICAID AND SCHIP

SEC. 301. SCHIP EXPANSION MATCHES 100 PER-

CENT FMAP FOR MEDICAL ASSIST-

ANCE FOR CHILDREN IN POVERTY IN EXCHANGE FOR EXPANDED COVERAGE OF CHILDREN IN WORKING POOR FAMILIES UNDER TITLE XXI.

(a) STATE OPTIONS.—(1) IN GENERAL. —Not later than 2 years after the date of enactment of this title, the Secretary of Health and Human Services shall submit a report to the appropriate com-

mittees of Congress describing the application of the uniform health care quality measures and reporting requirements described in this section to federally sup-
ported health delivery programs.

(b) REGULATIONS.—(A) PROPOSED.—Not later than 6 months after the date on which the report is sub-
mitted under paragraph (1)(B), the Secretary shall publish proposed regulations regarding the application of the uniform health care quality measures and reporting requirements described in this section to federally sup-
ported health delivery programs.

(B) FINAL REGULATIONS.—Not later than 1 year after the date on which the report is sub-
mitted under paragraph (1)(B), the Secre-
try shall publish final regulations regard-
ing the application of the uniform health care quality measures and reporting requirements described in this section.

(c) TERMINATIONS.—In this section, the term ‘fed-
erally supported health delivery program’ means a program that is funded by the Fed-
eral Government under which health care items or services are delivered directly to pa-
tients.”

SCHIP EXPANSION MATCHES 100 PERCENT FMAP FOR MEDICAL ASSISTANCE FOR CHILDREN IN POVERTY IN EXCHANGE FOR EXPANDED COVERAGE OF CHILDREN IN WORKING POOR FAMILIES UNDER TITLE XXI.

SEC. 301. SCHIP EXPANSION MATCHES 100 PER-

CENT FMAP FOR MEDICAL ASSIST-

ANCE FOR CHILDREN IN POVERTY IN EXCHANGE FOR EXPANDED COVERAGE OF CHILDREN IN WORKING POOR FAMILIES UNDER TITLE XXI.

(a) STATE OPTIONS.—(1) IN GENERAL. —Not-

withstanding any other provision of this title, in the case of a State that, through an amendment to each of its State plans under this title and title XXI (or to a waiver of either such plan),

agrees to satisfy the conditions described in subsection (b), (c), (e), and (h), the med-

ical assistance percentage shall be 100 per-
cent with respect to the total amount ex-
pended by the State for providing medical assistance under this title for a fiscal year quarter beginning on or after the date described in subsection (e) for children whose family income does not exceed 100 percent of the pov-

ty line.

(2) LIMITATION ON SCOPE OF APPLICATION OF INCREASE.—The increase in the Federal medical assistance percentage for a State under this section shall only apply in re-

spect to the total amount expended for pro-

viding medical assistance under this title for a fiscal year quarter for children described in paragraph (1) and shall not apply with re-

spect to—

(A) any other payments made under this title, including disproportionate share hospital payments described in section 1923;

(B) payments under title IV or XXI; or

(C) any payments made under this title or title XXI that are reduced under the enhanced FMAP described in section 2105.

(b) ELIGIBILITY EXPANSIONS.—The condi-
tions described in this subsection is that the State agrees to do the following:

(1) COVERAGE UNDER MEDICAID OR SCHIP FOR CHILDREN IN FAMILIES IN WHICH INCOME DOES NOT EXCEED 300 PERCENT OF THE POVERTY LINE.

(A) IN GENERAL.—The State agrees to pro-

vide medical assistance under this title or
child health assistance under title XXI to children whose family income exceeds the medicare applicable income level (as defined in section 1916(b)(4)), but which does not exceed 300 percent of the poverty line.

(2) STATE OPTION TO EXPAND COVERAGE THROUGH SUBSIDIZED PURCHASE OF FAMILY COVERAGE.—Subject to such approval and limitations as may be prescribed by the Secretary, the State agrees to:

(i) the dependent coverage is consistent with the benefit standards under this title or title XXI, as approved by the Secretary;

(ii) the State, with respect to the amount expended by the State and with respect to amounts expended for medical assistance for children on or after the date described in subsection (d) of section 1906, in a case that satisfies the requirements of subsections (b), (c), and (d) is approved by the Secretary.

(5) NO ASSETS TEST.—The State agrees to not impose any assets test for eligibility under this title or title XXI with respect to children.

(6) ELIGIBILITY DETERMINATIONS AND RE-DETERMINATIONS.—

(A) in general.—The State agrees for purposes of determining eligibility for currently or previously enrolled children under this title and title XXI, the State agrees to use all information in its possession (including information obtained from other Federal or State programs) to determine eligibility or redetermine continued eligibility before seeking similar information from parents.

(B) NONDEMISSION.—

(1) IN GENERAL.—For purposes of redeterminations of eligibility for currently or previously enrolled children under this title and title XXI that would not receive such medical assistance for children on or after the date described in subsection (d) of section 1906, any payment cap that would otherwise apply to the State under this title as a result of having expended all the payments available by the State with respect to a fiscal year shall not apply with respect to amounts expended by the State on or after the date described in section 1906.

(2) APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the purpose of paying a State described in paragraph (1) for each quarter beginning on or after the date described in section 1906, an amount equal to the enhanced FMAP of expenditures described in paragraph (1) and incurred during such quarter.

B. CONFORMING AMENDMENTS.—

(1) The three sentences of section 1905(b) of the Social Security Act (42 U.S.C. 1396(b)) is amended by inserting before the period the following:

‘‘(C) who would not receive such medical assistance for children on or after the date described in subsection (d) of section 1906, any payment cap that would otherwise apply to the State under this title as a result of having expended all the payments available by the State with respect to a fiscal year shall not apply with respect to amounts expended by the State on or after the date described in section 1906.’’

SEC. 202. ELIMINATION OF CAP ON SCHIP FUNDING FOR STATES THAT EXPAND ELIGIBILITY FOR CHILDREN.

(a) In General.—Section 2105 of the Social Security Act (42 U.S.C. 1397d(a)) is amended by adding at the end the following:

‘‘(C) who would not receive such medical assistance for children on or after the date described in subsection (d) of section 1906, any payment cap that would otherwise apply to the State under this title as a result of having expended all the payments available by the State with respect to a fiscal year shall not apply with respect to amounts expended by the State on or after the date described in section 1906.’’

(2) Section 1903(f)(4) of the Social Security Act (42 U.S.C. 1396b(v)(4)) is amended—

(3) in subsection (c), by inserting ‘‘or’’ after ‘‘in paragraph (1),’’;

(b) Guaranteed Funding for Child Health Assistance for Coverage Expansion States.—

(1) in general.—Only in the case of a State that has, in accordance with section 1906, an approved plan amendment under this title for a fiscal year, any payment cap that would otherwise apply to the State under this title as a result of having expended all the payments available by the State with respect to a fiscal year shall not apply with respect to amounts expended by the State on or after the date described in section 1906.

(2) Appropriation.—There is appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the purpose of paying a State described in paragraph (1) for each quarter beginning on or after the date described in section 1906, an amount equal to the enhanced FMAP of expenditures described in paragraph (1) and incurred during such quarter.

B. CONFORMING AMENDMENTS.—Section 2104 of the Social Security Act (42 U.S.C. 1397d) is amended—

(1) in subsection (a), by inserting ‘‘subject to section 2105(b),’’ after ‘‘under this section,’’;

(b) Senate Appropriations Act for Federal Fiscal Year 2005.—

(1) in subsection (c), by inserting ‘‘subject to section 2105(b),’’ after ‘‘for a fiscal year,’’.

CHAPTER 2—STATE OPTIONS FOR INCREASED CHILDCARE EXPANSIONS

SEC. 311. STATE OPTION TO ENROLL LOW-INCOME CHILDREN OF STATE EMPLOYEES.

(a) In General.—

(1) in general.—

(b) Senate Appropriations Act for Federal Fiscal Year 2005.—

(1) in subsection (a), by inserting ‘‘subject to section 2105(b),’’ after ‘‘for a fiscal year,’’.
(1) by redesigning subparagraphs (A) and (B) as clauses (i) and (ii), respectively and re-
aligning the left margins of such clauses ap-
propriately;

(2) by inserting “Such term” and inserting the following:

“(a) In general.—Such term; and

(b) by adding at the end the following:

“(B) LOW-INCOME CHILDREN OF STATE EMPLOYEES.—At the op-
portunity of a State, subparagraph (A)(ii) shall not
apply to any low-income child who would other-
wise be eligible for child health assist-
 ance under this title but for such subpara-
graph.”.

**SEC. 321. STATE OPTION FOR PASSIVE RENEWAL OF ELIGIBILITY FOR CHILDREN UNDER MEDICARE AND SCHIP.**

(a) In general.—Section 1902(l) of the So-
 cial Security Act (42 U.S.C. 1396a(l)) is
 amended by adding at the end the following:

“(a) In general.—Section 1902(l) of the
 Social Security Act (42 U.S.C. 1396a(l)) is
 amended by adding at the end the following:

(1) by redesigning subparagraphs (B) through (D) as subparagraphs (C) through
(E), respectively; and

(2) by inserting after subparagraph (A), the following:

“(B) Section 1902(l)(5) (relating to passive
 renewal of eligibility for children).”.

**CHAPTER 3—TAX INCENTIVES FOR QUALIFIED HEALTH INSURANCE COVERAGE OF CHILDREN**

**SEC. 321. REFUNDABLE CREDIT FOR QUALIFIED HEALTH INSURANCE COVERAGE OF CHILDREN.**

(a) In general.—Subpart C of part IV of
subsection A of chapter 1 of the Internal Re-
venue Code of 1986 (relating to refundable
credits) is amended by redesigning section
36 as section 36 and by inserting after section
35 the following new section:

“SEC. 36. HEALTH INSURANCE COVERAGE OF CHILDREN.

“(a) In general.—In the case of any indi-
vidual, there shall be allowed as a credit
against the tax imposed by this subtitle an
amount equal to so much of the amount paid
during the taxable year for qualified
health insurance for each dependent child of
such individual, as exceeds 5 percent of the
adjusted gross income of such taxpayer for
such taxable year.

“(b) Dependent child.—For purposes of
this section, the term ‘dependent child’ means
any child (as defined in section 152(f)(1)) who
has not attained the age of 19 as of the
close of the calendar year in which the
taxable year of the taxpayer begins and
with respect to whom a deduction under
section 151 is allowable to the taxpayer.

“(c) Qualified health insurance.—For purposes of this section—

(1) the term ‘qualified health insurance’ means insurance, either
 employer-provided or made available under
title XIX or XXI of the Social Security Act,
which constitutes medical care as defined in
section 213(d) without regard to

“(A) paragraph (1) thereof, and

(B) so much of paragraph (1)(D) thereof as
relates to qualified long-term care insurance
contracts.

(2) Exclusion of certain other con-
tacts.—Such term shall not include insur-
 ance if a substantial portion of the in-
 surance was excepted benefits (as defined in section
9832(c)).

(3) Medical savings account and
 health savings account contributions.—

“(d) Medical savings account and
 health savings account contributions.—

(1) In general.—If a deduction would (but
 for paragraph (2)) be allowed under section
220 or 222 (relating to amount for which
the taxable year to the medical savings ac-
count or health savings account of an indi-
vidual, subsection (a) shall be applied by
the Secretary to treat such payment for
qualified health insurance for such indi-
dividual.

(2) Denial of double benefit.—No deduc-
tion shall be allowed under section 220 or 222
for that portion of the payments otherwise
allowable as a deduction under section 220 or
222 for the taxable year which is equal to the
amount of credit allowed for such taxable
year by reason of this subsection.

(3) Special rules.—

(i) Determination of insurance costs.—The
Secretary shall provide rules for the al-
location of the cost of any qualified health
insurance for family coverage to the cov-
erage of any dependent child under such in-
surance.

(ii) Coordination with deduction for
health insurance costs of self-employed
individuals.—In the case of a taxpayer who
is eligible to deduct any amount under sec-
tion 164(f) of the Internal Revenue Code of
1986 (relating to medical care costs), the
Secretary shall apply only if the taxpayer elects
not to claim any amount as a deduction under
such section for such year.

(iii) Coordination with medical expense
and high deductible health plan deduc-
tions.—The amount which would (but for
this paragraph and section 223) be allowed
by this section to the taxpayer under section
223 for the years 2002 and 2003 shall be reduced by the credit (if
any) allowed by this section to the taxpayer for such year.

(4) Denial of credit to dependents.—No
credit shall be allowed under this section to
any individual with respect to whom a de-
duction under section 151 is allowable to an-
other taxpayer for a taxable year beginning
in the calendar year in which such individ-
ual’s taxable year begins.

(5) Denial of double benefit.—No credit
shall be allowed under subsection (a) if the
credit under section 35 is allowed and no
credit shall be allowed under section 35 if a credit
is allowed under this section.

(6) Election not to claim credit.—This
section shall not apply to a taxpayer for any
taxable year if such taxpayer elects to have
this section not apply for such taxable
year.”.

(b) Information reporting.—

(1) In general.—Subpart B of part III of
subsection A of chapter 61 of the Internal Revenue Code of 1986 (relating to informa-
tion concerning transactions with other per-
sons) is amended by inserting after section
6050T the following new section:

“SEC. 6050U. RETURNS RELATING TO PAYMENTS FOR QUALIFIED HEALTH INSURANCE.

“(a) In general.—Any governmental unit
or any person who, in connection with a
trade or business conducted by such person,
receives payments during any calendar year
from any individual for coverage of a depend-
ent child (as defined in section 36(b)) of such
individual under creditable health insurance,
shall make the return described in sub-
section (b) (at such time as the Secretary
may by regulations prescribe) with respect
to each individual from whom such pay-
ments were received.

“(b) Form and manner of returns.—A re-
turn is described in this subsection if such return—

(1) is in such form as the Secretary may
 prescribe, and

(2) contains—

“(A) the name, address, and TIN of the in-
dividual from whom payments described in
subsection (a) were received.

“(B) the name, address, and TIN of each de-
pendent child (as so defined) who was pro-
vided by such person with coverage under
creditable health insurance by reason of such
payments and the period of such coverage,
and

“(C) such other information as the Sec-
cretary may reasonably prescribe.

“(c) Creditable health insurance.—For
purposes of this section, the term ‘creditable
health insurance’ means qualified health in-
surance (as defined in section 36(c)).

“(d) Statements to Be Furnished to In-
dividuals With Respect to Whom Informa-
tion Is Required.—Every person required to
make a return under subsection (a) shall furn-
ish to each individual whose name is re-
quired under subsection (b)(2)(A) to be set
such return a written statement showing—

(i) the name and address of the person
required to make such return and the phone
and the identification contact for such person,

(ii) the aggregate amount of payments de-
scribed in subsection (a) (as so defined) pro-
vided by such person to each individual
from whom such payments were received,

(iii) the extent providing creditable regula-
tions prescribed by the Secretary, in the case of any
amount received by any person on behalf of
another person, only the person first receiv-
ing such amount shall be required to make the
return under subsection (a).”.

(2) Assessable penalties.—

(A) Subparagraph (B) of section 6724(d)(1)
of such Code (relating to definitions) is amended by redesigning clauses (xii) through (xvii) as clauses (xiv) through (xix), respectively, and by inserting after clause (xvii) the following new clause:

“(xix) the name, address, and TIN of the in-
dividual or entity to whom payments were made,
and

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking “or” at the end of the next to last subparagraph, by striking the period at the end of the last para-
graph and inserting “,” and

(3) Clerical amendment.—The table of
sections for subpart B of part III of sub-
chapter A of chapter 61 of such Code is
amended by inserting before the period “,” or from section 36 of such Code

“(c) Conforming amendments.—

(1) Paragraph (2) of section 3124(b) of title
31, United States Code, is amended by inserting
before the period “, or” from section 36 of
such Code

(2) The table of sections for subpart C of
part IV of subchapter A of chapter 1 of the
Internal Revenue Code is amended by striking
the last item and inserting the fol-
lowing new items:

“Sec. 6050U. Returns relating to payments for qualified health insurance.”.

“(c) Conforming amendments.—

(1) Conforming amendments.—

(2) The table of sections for subpart C of
part IV of subchapter A of chapter 1 of the
Internal Revenue Code is amended by striking
the last item and inserting the fol-
lowing new items:

“Sec. 6050U. Returns relating to payments for qualified health insurance.”.

“Sec. 6050U. Returns relating to payments for qualified health insurance.”.

“Sec. 6050U. Returns relating to payments for qualified health insurance.”.
"SEC. 2707. REQUIREMENT TO OFFER OPTION TO PURCHASE DEPENDENT COVERAGE FOR CHILDREN.

(a) REQUIREMENTS FOR COVERAGE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, shall offer an individual who is enrolled in such coverage the option to purchase dependent coverage for a child of the individual.

(b) NO EMPLOYER CONTRIBUTION REQUIRED.—An employer shall not be required to contribute to the cost of purchasing dependent coverage for a child of an individual who is an employee of such employer.

(c) DEFINITION OF CHILD.—In this section, the term ‘child’ means an individual who has not attained 21 years of age.

"SEC. 2708. RULES.

In the case of, and with respect to, a State providing for coverage of pregnancy-related assistance to targeted low-income pregnant women under subsection (a)(10)(A)(i)(III) or (1)(2)(A) of section 1902 that is at least 185 percent of the income eligibility level for targeted low-income pregnant women under title XIX but does not apply an effective income level (expressed as a percent of the poverty line and considering applicable income disregards) that has been specified under subsection (a)(10)(A)(i)(III) or (1)(2)(A) of section 1902, as of January 1, 2005, to be eligible for medical assistance as a pregnant woman under title XXI for a targeted low-income child, the State has the option of counting Medicaid child presumptive eligibility costs against title XXI allotments.

(c) REFERENCES TO TERMS AND SPECIAL RULES.

Notwithstanding any other provision of this title, a State providing for coverage of pregnancy-related assistance to targeted low-income pregnant women under subsection (a)(10)(A)(i)(III) or (1)(2)(A) of section 1902, as of January 1, 2005, to be eligible for medical assistance as a pregnant woman under title XXI for a targeted low-income child, and who satisfies the requirements of paragraphs (1)(A), (1)(C), (2), and (3) of section 2110(b).

"(c) DEFINITION OF POVERTY LINE.—In this subsection, the term ‘poverty line’ has the meaning given such term in section 1902(c).

"(d) PAYMENT FROM TITLE XXI ALLOTMENT FOR MEDICAID EXPANSION COSTS; ELIMINATION OF COUNTING MEDICAID CHILD PRESUMPTIVE ELIGIBILITY COSTS AGAINST TITLE XXI ALLOTMENTS.—Section 2110(a) of the Social Security Act (42 U.S.C. 1396a(a)(1)) is amended—

(A) in the matter preceding subparagraph (A), by striking ‘‘(or, in the case of expenditures described in subparagraph (B), the Federal medical assistance percentage (as defined in the first sentence of section 1902(b))’’; and

(B) by striking subparagraph (B) and inserting the following new subparagraph:

‘‘(B) for the provision of medical assistance that is attributable to expenditures described in section 1905(u)(5)(A).’’.

"(e) SCHIP.—

(1) COVERAGE.—Title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) is amended by adding at the end the following new section:

"SEC. 2111. OPTIONAL COVERAGE OF TARGETED LOW-INCOME PREGNANT WOMEN.

(a) GENERAL.

Notwithstanding any other provision of this title, a State may provide for coverage, through an amendment to its State child health plan under section 2102, of medical assistance for targeted low-income pregnant women in accordance with this section, but only if—

(1) the State has established an income eligibility level for pregnant women under subsection (a)(10)(A)(i)(III) or (1)(2)(A) of section 1902 that is at least 185 percent of the income eligibility level for targeted low-income pregnant women;

(2) the State meets the conditions described in section 1905(u)(5)(B);

(b) DEFINITIONS.—For purposes of this title:

(1) PREGNANCY-RELATED ASSISTANCE.—The term ‘pregnancy-related assistance’ has the meaning given the term child health assistance in section 2110(a) as if any reference to targeted low-income children were a reference to targeted low-income pregnant women, except that the assistance shall be limited to services related to pregnancy (which include prenatal, delivery, and postpartum services and services described in section 1906(a)(4)(C) and to other conditions that may be prescribed).

(2) TARGETED LOW-INCOME PREGNANT WOMAN.—The term ‘targeted low-income pregnant woman’ means a woman—

(A) during pregnancy through the end of the month in which the 60-day period (beginning on the last day of her pregnancy) ends;

(B) whose family income exceeds the effective income level (expressed as a percent of the poverty line and considering applicable income disregards) that has been specified under subsection (a)(10)(A)(i)(III) or (1)(2)(A) of section 1902, as of January 1, 2005, to be eligible for medical assistance as a pregnant woman under title XXI; and

(C) who satisfies the requirements of paragraphs (1)(A), (1)(C), (2), and (3) of section 2110(b).

(3) REFERENCES TO TERMS AND SPECIAL RULES.—Notwithstanding the case of a paragraph (2) to which a State providing for coverage of pregnancy-related assistance to targeted low-income pregnant women under subsection (a), the following special rules apply:

(1) Any reference in this title (other than in subsection (b)) to a targeted low-income

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child is deemed to include a reference to a targeted low-income pregnant woman.

(2) Any such reference to child health assistance with respect to such women is deemed a reference to pregnancy-related assistance.

(3) Any such reference to a child is deemed a reference to a woman during pregnancy and the period described in subsection (c)(3), if the child attains 1 year of age.

(4) In applying section 2102(b)(3)(B), any reference to children found through screening to be eligible for medical assistance under the State medical plan under title XIX is deemed a reference to pregnant women.

(5) There shall be no exclusion of benefits for services described in subsection (b)(1) based on any preexisting condition and no waiting period (including any waiting period imposed to carry out section 2102(b)(3)(C)) shall apply.

(6) Subsection (a) of section 2103 (relating to required scope of health insurance coverage) shall not apply in the case of a State limit its coverage to services described in subsection (b)(1) and the reference to such section in section 2105(a)(1)(D) is deemed not to require compliance with the requirements of section 2103(a).

(7) In applying section 2106(e)(3)(B) in the case of a pregnant woman provided coverage under this subparagraph, the imputation of annual aggregate cost-sharing shall be applied to such pregnant woman.

(8) The reference in section 2107(e)(1)(D) to section 1920A(b)(3) is amended by adding after paragraph (2) the following:

“(2) ADDITIONAL ALLOTMENTS FOR PROVIDING PREGNANCY-COVERAGE EXPANSIONS.—The amendments made by this subparagraph apply to such pregnant woman.”

(9) In applying section 2105(g) of the Social Security Act (42 U.S.C. 1396r(g)) is amended by adding after paragraph (3)(C) the following:

“(4) SPECIAL AUTHORITY FOR CERTAIN PREGNANCY COVERAGE EXPANSION STATES.—

“(A) IN GENERAL.—In the case of a State that, as of the date of enactment of the Affordable Care Act of 2009, has an income eligibility standard under title XIX or this title (under section 1902(a)(10)(A) or under a statewide waiver in effect under section 1915(j)(2)(B)(i)(I) or (II) and with respect to this title) that is at least 185 percent of the poverty line with respect to pregnant women, the State may elect to use not more than 20 percent of the amount available for any fiscal year (insofar as it is available under subsections (e) and (g) of such section) for payments under title XIX in accordance with subsection (d) instead of for expenditures under this title.

(B) PAYMENTS TO STATES.—

“(1) IN GENERAL.—In the case of a State described in subparagraph (A) that has elected the option described in that subparagraph, subject to the availability of funds under such subparagraph and, if applicable, paragraph (1)(A), with respect to the State, the Secretary shall pay the State an amount equal to the additional amount that would have been paid to the State under paragraph (A) if the amendments described in clause (i) if the enhanced FMAP (as determined under subsection (b)) had been substituted for the Federal medical assistance percentage (as defined in section 1905(b)).

“(ii) EXPENDITURES DESCRIBED.—For purposes of this subparagraph, the expenditures described in this clause are expenditures made after the date of the enactment of this paragraph and during the period in which funds are available for the State for use under paragraph (A), (B), (C), or (D) of section 1902 for pregnant women whose family income is at least 185 percent of the poverty line.

“(iii) NO IMPACT ON DETERMINATION OF BUDGET NEUTRALITY FOR WAIVERS.—In the case of a State described in subparagraph (A) that uses amounts paid under this paragraph for expenditures described in clause (i) that are incurred under a waiver approved for the State, any budget neutrality determinations with respect to such waiver shall be determined without regard to such amounts paid.”.; and

(3) in paragraph (3), by striking “and (2)” and inserting “(2), and (3)”; and

(d) OTHER AMENDMENTS TO MEDICAID.—

(1) ELIGIBILITY OF A NEWBORN.—Section 1902(a)(4) of the Social Security Act (42 U.S.C. 1396a(a)(4)) is amended by adding after clause (i) the following:

“(ii) may not apply a waiting period (including any waiting period imposed to carry out paragraph (3)(C)) in the case of a targetted low-income pregnant woman.”;

(2) APPLICATION OF QUALIFIED ENTITIES TO PREGNANCY-COVERAGE EXPANSIONS.—

SEC. 352. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM.

(a) MEDICAID PROGRAM.—Section 1903(v) of the Social Security Act (42 U.S.C. 1396v(v)) is amended—

“(1) in paragraph (1), by striking “paragraph (2) and inserting “paragraphs (2) and (4)”;

and
SEC. 355. PROMOTION OF CESSATION OF TOBACCO USE UNDER THE MEDICAID PROGRAM.

(a) DROPPING EXCEPTION FROM MEDICAID PRESCRIPTION DRUG COVERAGE FOR TOBACCO CESSATION MEDICATIONS.—Section 1927(d)(2) of the Social Security Act (42 U.S.C. 1396d–8(d)(2)) is amended—

(1) by striking subparagraph (E);

(2) by redesignating subparagraphs (F) through (J) as subparagraphs (E) through (I), respectively; and

(3) in subparagraph (F) (as redesignated by paragraph (2)), by inserting before the period at the end the following:—

“(y) such coverage shall be considered to be part of quality maternal and child health services.”;

(b) PROMOTION OF CESSATION COUNSELING SERVICES FOR PREGNANT WOMEN.—Section 1905(y) of the Social Security Act (42 U.S.C. 1396o–1(y)) is amended by inserting at the end the following:

“(d)(1) For purposes of this section, the term ‘counseling for cessation of tobacco use’ means therapy and counseling for cessation of tobacco use that is furnished solely to pregnant women who are being treated for tobacco use that is furnished—

(A) by a provider of such counseling;

(B) by any other health care professional who—

“(1) is legally authorized to furnish such services under State law (or the State regulatory mechanism provided by State law) of the State in which the services are furnished; and

“(2) is authorized to receive payment for other services under this title or is designated by the Secretary for this purpose.

“(2) Subject to paragraph (3), such term is limited to—

“(A) therapy and counseling services recommended in ‘Treating Tobacco Use and Dependence: A Clinical Practice Guideline’, published by the Public Health Service in June 2000, or any subsequent modification of such Guideline;

“(B) such other therapy and counseling services that the Secretary recognizes to be effective.

“(3) Such term shall not include coverage for drugs or biologicals that are not otherwise covered under this title.”;

(c) REMOVAL OF COST-SHARING FOR TOBACCO CESSATION COUNSELING SERVICES FOR PREGNANT WOMEN.—Section 1916 of the Social Security Act (42 U.S.C. 1396a) is amended in each of subsections (a)(2)(D) and (b)(2)(D) by inserting, after ‘counseling for cessation of tobacco use (as defined in section 1905(x))’ after “complicate the pregnancy”:

“(1) by striking ‘in accordance with the provisions of section 1905(x)), drugs and biologicals used to promote smoking cessation, and the inclusion of antitobacco messages in health promotion counseling shall be considered to be part of quality maternal and child health services’;

“(2) A DDITIONAL EXTENSION.—A State may extend the period described in paragraph (1) by not more than 6 months to cover those additional services and supplies that are medically necessary for pregnant women who are unable to undergo the initial counseling services described in paragraph (1) because of gestational complications or other medical conditions.

“SEC. 1937. (a) I N GENERAL.—Subject to subsections (b) and (c), a State may elect (through a State plan amendment) to make medical assistance described in section 1905(a)(4)(C) available to any individual whose family income does not exceed the greater of—

“(1) 185 percent of the income official poverty line, as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 applicable to a family of the size involved; or

“(2) the eligibility income level (expressed as a percentage of such poverty line) that has been specified under a waiver authorized by the Secretary or under section 1905(a)(4)(C), as of January 1, 2005, for an individual to be eligible for medical assistance under the State plan.

“(b) COMPARABILITY.—Medical assistance described in section 1905(a)(4)(C) that is made available under a State plan amendment made under subsection (a) shall—

“(1) not be less in amount, duration, or scope of medical assistance under the State plan than the medical assistance made available under section 1905(a)(4)(C) as a result of such amendment, and who becomes ineligible for such assistance because of hours of, or income from, employment, may remain eligible for such medical assistance through the end of the 6-month period that begins on the first day the individual becomes so ineligible.

“SEC. 356. STATE OPTION TO PROVIDE FAMILY PLANNING SERVICES AND SUPPLIES.

(a) IN GENERAL.—Section 1905(a)(4)(B) of the Social Security Act (42 U.S.C. 1396a(e)(5)) is amended—

(1) by striking “eligible under the plan, as though” and inserting “eligible under the plan, as though”;

(2) A DDITIONAL EXTENSION.—A State plan amendment made under subsection (a) may provide that any individual who has received medical assistance described in section 1905(a)(4)(C) during the entire 6-month period described in paragraph (1) may be extended coverage for such assistance for a succeeding 6-month period.”;

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to medical assistance provided on and after October 1, 2005.
SEC. 357. STATE OPTION TO PROVIDE WRAP-AROUND SCHIP COVERAGE TO CHILDREN WHO HAVE OTHER HEALTH COVERAGE.

(a) IN GENERAL.—

(1) SCHIP.—

(A)first option to provide wrap-around coverage.—A State may waive the requirement of paragraph (1)(C) that a targeted low-income child may not be covered under a group health plan or under health insurance coverage at rates that satisfy the conditions described in subsection (c)(8). The State may waive such requirement in order to provide—

(A) services for a child with special health care needs; or

(B) all services.

In waiving such requirement, a State may limit the application of the waiver to children whose family income does not exceed a limit the application of the waiver to children described in section 2110(b)(5), but only in the case of a waiver that satisfies the requirements of section 2110(c)(8).

(B) APPLICATION OF SECONDARY PROVISIONS.—Section 2110(c)(1) of the Social Security Act (42 U.S.C. 1397gg(c)(1)), as amended by section 3(b), is amended by adding at the end of the section the following:

(2) A new subparagraph (F) is added to section 2110(c)(5), the conditions described in this paragraph for a fiscal year shall be used by the Secretary to award grants to eligible entities for productive outreach and enrollment activities designed to increase the enrollment of targeted low-income children, including such children described in section 2110(b)(5).

(3) effective date.—The amendments made by subsection (a) shall take effect on January 1, 2005, and shall apply to child health assistance and medical assistance provided on or after that date.

SEC. 358. INNOVATIVE OUTREACH PROGRAMS.

Title XIX of the Social Security Act (42 U.S.C. 1396aa et seq.) is amended by adding at the end of the section the following:

(a) IN GENERAL.— Funds made available under subsection (b) for expenditure under this section for a fiscal year shall be used by the Secretary to award grants to eligible entities to conduct innovative outreach and enrollment activities designed to increase the enrollment and participation of eligible children under this title and title XIX.

(b) PRIORITY FOR GRANTS IN CERTAIN AREAS.—In making grants under subsection (a), the Secretary shall give priority to eligible entities that propose to target geographic areas with high rates of—

(1) eligible but unenrolled children, including such children who reside in rural areas;

(2) families for whom English is not their primary language;

(3) racial and ethnic minorities and health disparity populations;

(4) APPLICATION.— An eligible entity that desires to receive a grant under this section shall submit an application to the Secretary in such form and manner, and containing such information, as the Secretary may designate. Such application shall include—

(1) quarterly reports on performance measures to evaluate the effectiveness of activities funded by a grant under this paragraph to ensure that the activities are meeting their goals; and

(2) an assurance that the entity will—

(A) collect and report enrollment data; and

(B) disseminate findings from evaluations of the activities funded under the grant.

(c) REPORT.— The Secretary shall report to Congress on an annual basis the results of the outcomes achieved under grants awarded under this section.

(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ‘eligible entity’ means any of the following:

(1) A State.

(2) A local, national, or community-based public or private entity.

(3) APPROPRIATION.— For the purpose of awarding grants to eligible entities under this section, there is appropriated, out of any money in the Treasury otherwise appropriated, $50,000,000 for each of fiscal years 2006 and 2007.

Subtitle C—Affirming the Importance of Medicaid

SEC. 361.SENSE OF THE SENATE.

(a) FINDINGS.— The Senate makes the following findings:

(1) The Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) provides essential health care and long-term care coverage to more than 50,000,000 low-income children, families, and other individuals, with disabilities, and senior citizens. It is a Federal guarantee that even the most vulnerable will have access to needed medical care.

(2) Medicaid provides health insurance for more than 1/4 of America’s children and is the largest purchaser of materninity care, paying for more than 1/2 of all the births in the United States each year.

(3) Medicaid provides critical help for the elderly and individuals with disabilities. Medicaid is America’s single largest purchaser of nursing home services and other long-term care, covering the majority of nursing home residents.

(4) Medicaid pays for personal care and other supportive services, which are typically not provided by private health insurance, even if individuals could obtain it. These services are necessary to enable individuals with spinal cord injuries, developmental disabilities, neurological degenerative diseases, serious mental illnesses, HIV/AIDS, and other chronic conditions to remain in the community, to work, and to maintain independence.

(b) GRATUITOUS SUPPORT.—Supplement to the Medicaid program under title XVIII of the Social Security Act (42 U.S.C. 1396 et seq.) for more than 6,000,000 low-income elderly or disabled, assisting them with their Medicare premiums and co-insurance, wrap-around benefits, and in the costs of nursing home care that Medicaid does not cover.

(c) COVERAGE.— About 42 percent of all Medicaid spending is for those who are disabled or living with disabilities and are dually eligible for Medicare and Medicaid.

(d) MEDICARE.— Medicaid faces an even greater burden as a result of Medicare’s gaps. The Medicaid program spent nearly $40,000,000,000 on uncovered Medicare services in 2002. Medicaid payments for low-income Medicare beneficiaries cost-sharing are the largest and fastest growing share of Medicaid spending.

(e) COVERAGE.— The Medicare drug benefit imposes additional costs on States, which will add to the already significant cost burden. Medicaid spending on Medicare beneficiaries’ long-term care costs in 2009 is projected to be $25,000,000,000 in 2002 to $51,000,000,000 in 2012.

(f) COVERAGE.— Medicaid helps ensure access to care for all Americans. Medicaid is the single largest source of revenue for over 1,000 net hospitals and health centers and is critical to the ability of those providers to serve Medicaid enrollees and uninsured Americans. Medicaid services a major role in ensuring that the number of Americans without health insurance, approximately 45,000,000 in 2003, is not substantially higher.

(g) MEDICAID.— Medicaid is America’s single largest purchaser of nursing home services and other long-term care, covering the majority of nursing home residents, providing a major role in ensuring that the number of Americans without health insurance, approximately 45,000,000 in 2003, is not substantially higher.

(h) MEDICAID.— Medicaid helps ensure access to care for all Americans. Medicaid is the single largest source of revenue for over 1,000 net hospitals and health centers and is critical to the ability of those providers to serve Medicaid enrollees and uninsured Americans. Medicaid serves a major role in ensuring that the number of Americans without health insurance, approximately 45,000,000 in 2003, is not substantially higher.

(i) MEDICAID.— Medicaid matters to women in America. More than 16,000,000 women depend on Medicaid for their health care. Women constitute the majority of seniors (71 percent) on Medicare. Half of nonelderly women with disabilities and are dually eligible for Medicare and Medicaid.

(j) MEDICAID.— Medicaid serves a major role in ensuring that the number of Americans without health insurance, approximately 45,000,000 in 2003, is not substantially higher.

(k) MEDICAID.— Medicaid helps ensure access to care for all Americans. Medicaid is the single largest source of revenue for over 1,000 net hospitals and health centers and is critical to the ability of those providers to serve Medicaid enrollees and uninsured Americans. Medicaid services a major role in ensuring that the number of Americans without health insurance, approximately 45,000,000 in 2003, is not substantially higher.

(l) MEDICAID.— Medicaid matters to women in America. More than 16,000,000 women depend on Medicaid for their health care. Women constitute the majority of seniors (71 percent) on Medicare. Half of nonelderly women with permanent mental or physical disabilities have Medicare coverage. Medicaid.

(m) MEDICAID.— Medicaid provides treatment for low-income women diagnosed with breast or cervical cancer in every State.

(n) MEDICAID.— Medicaid is critical for children with disabilities. Medicaid covers 78 percent of poor children with disabilities who are under
5 years of age and 70 percent of poor children with disabilities who are between the ages of 5 and 17. Similarly, Medicaid covers a substantial portion of children with disabilities who are under 15 but who are either not covered by private insurance or limited in scope or duration. Medicaid is also a critical source of funding for health care for children in foster care and in schools.

(14) The need for Medicaid is greater than ever today, because the number of Americans living in poverty has increased by 5,000,000 over the last 4 years and the number of the uninsured has increased by 5,000,000.

(15) The system of Federal matching for State Medicaid expenditures ensures that Federal funds will grow as State spending increases in response to unmet needs.

(16) Despite the varied population served by the Medicaid program, including those with significant health care needs, Medicaid per capita growth has been consistently about half the rate of growth in private insurance premiums and Medicaid has far lower administrative costs than Medicare costs, Medicaid costs less per person than private coverage for people who have similar health status.

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

(1) the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is a critical component of the health care system of the United States;

(2) Federal support for the Medicaid program must be adequate to support State spending meeting the essential health needs of the uninsured, income elderly, low-income individuals with disabilities, and low-income children and families, and should not be cut or capped; and

(3) any retreat from the Federal commitment to Medicaid would threaten not only the health care safety net of the United States but the entire health care system.

TITLE II—REDUCING HEALTH CARE COSTS FOR SMALL EMPLOYERS

Subtitle A—Tax Relief

SEC. 401. REFUNDABLE CREDIT FOR SMALL BUSINESS EMPLOYEE HEALTH INSURANCE EXPENSES.

(4) A qualified small employer described in paragraph (A) of paragraph (4), 50 percent, (5) For any qualified small employer described in subparagraph (B) of paragraph (4), 35 percent, and (6) For any qualified small employer described in subparagraph (C) of paragraph (4), 25 percent.

(b) PER EMPLOYER DOLLAR LIMITATION.—

The amount of qualified employee health insurance expenses taken into account under paragraph (1) with respect to any qualified employer for any taxable year shall not exceed—

(A) $1,500 in the case of self-only coverage; and

(B) $3,500 in the case of family coverage.

(c) QUALIFIED EMPLOYER HEALTH INSURER.—A qualified small employer is described in—

(A) this subparagraph if such employer employed an average of 9 or fewer employees (as determined under subsection (c)(1)(A)(ii)),

(B) this subparagraph if such employer employed an average of more than 9 but less than 25 employees (as so determined), and

(C) this subparagraph if such employer employed an average of more than 24 but not more than 50 employees (as so determined).

(d) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED SMALL EMPLOYER.—

(A) IN GENERAL.—The term ‘qualified small employer’ means, with respect to any calendar year, any employer if—

(i) such employer pays or incurs at least 75 percent of employee health insurance expenses of each qualified employee (determined without regard to subsection (b)(3)), and

(ii) such employer employed an average of 50 or fewer employees on business days during either of the 2 preceding calendar years.

For purposes of clause (ii), a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A)(ii) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.

(A) IN GENERAL.—The term ‘qualified employee health insurance expenses’ means any amount paid by an employer for health insurance coverage (as defined in section 9832(b)(1)) to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

(3) QUALIFIED EMPLOYER.—

(A) IN GENERAL.—The term ‘qualified employer’ means, with respect to any period, an employer of such employee that—

(i) the annual amount of hours in the employment of such employee by such employer is at least 400 hours,

(ii) the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year is at least $5,000, and

(iii) such employee is not eligible for—

(I) any benefits under title XVIII, XIX, or XXI of the Public Health Service Act; and

(II) any other publicly-sponsored health insurance program.

(b) TREATMENT OF CERTAIN EMPLOYEES.—

For purposes of subparagraph (A), the term ‘employee’—

(1) shall not include an employee within the meaning of section 414(n); and

(2) shall include a leased employee within the meaning of section 414(n).

(c) WAGES.—The term ‘wages’ has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

(d) CERTAIN RULES MADE APPLICABLE.—

For purposes of this section, rules similar to the rules of section 52 shall apply.

(e) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—In the case of a taxpayer who is eligible to deduct any amount under section 162(l) for the taxable year, this section shall apply only if the taxpayer elects not to claim any amount as a deduction under such section for such year.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 3306(b) of title 31, United States Code, is amended by inserting before the period “,” or from section 36 of such Code.

(2) The tables of sections for subpart C of part I of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new item:

‘‘Sec. 36. Small business employee health insurance expenses.

‘‘Sec. 37. Overpayments of tax.’’.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2005.

SEC. 421. THREE-SHARE PROGRAMS.

The Social Security Act (42 U.S.C. 301 et seq.) is amended by adding at the end the following:

‘‘TITLE XXII—PROVIDING FOR THE UNINSURED

‘‘SEC. 2201. THREE-SHARE PROGRAMS.

(a) PILOT PROGRAMS.—The Secretary, acting through the Administrator, shall award grants under this section for the startup and operation of up to 25 eligible three-share pilot programs for a 5-year period.

(b) GRANTS FOR THREE-SHARE PROGRAMS.—

(1) ESTABLISHMENT.—The Administrator may award grants to eligible entities—

(A) to establish three-share programs;

(B) to provide for contributions to the premiums assessed for coverage under a three-share program as provided for in subsection (c)(2)(B)(iii); and

(C) to establish risk pools.

(2) THREE-SHARE PROGRAM PLAN.—Each entity desiring a grant under this subsection shall develop a plan for the establishment and operation of a three-share program that satisfies the requirements of paragraphs (2) and (3) of subsection (c).

(3) APPLICATION.—Each entity desiring a grant under this subsection shall submit an application to the Administrator at such time, in such manner and containing such information as the Administrator may require, including—

(I) a description of the three-share program plan described in paragraph (2); and

(II) an assurance that the eligible entity will—

(A) determine a benefit package;

(B) recruit businesses and employees for the three-share program;

(C) build and manage a network of health care providers under the contract with an existing network or licensed insurance provider; and

(D) manage all administrative needs; and
"(v) establish relationships among community, business, and provider interests.

"(4) PRIORITY.—In awarding grants under this section the Secretary shall give priority to an application if—

"(A) that is an existing three-share program;

"(B) that is an eligible three-share program that has demonstrated community support; or

"(C) that is located in a State with insurance laws and regulations that permit three-share program expansion.

"(c) GRANT ELIGIBILITY.—

"(1) IN GENERAL.—The Secretary, acting through the Administrator, shall promulgate regulations for the eligibility of three-share programs for participation in the pilot program under this section.

"(2) THREE-SHARE PROGRAM REQUIREMENTS.—

"(A) IN GENERAL.—To be determined to be an eligible three-share program for purposes of participation in the pilot program under this section a three-share program shall—

"(i) be either a non-profit or local governmental entity;

"(ii) define the region in which such program will provide services;

"(iii) have the capacity to carry out administrative functions of managing health plans, including monthly billings, verification of eligibility of eligible employers and employees, maintenance of membership rosters, development of member materials (such as handbooks and identification cards), customer service, and claims processing; and

"(iv) have demonstrated community involvement.

"(B) PAYMENT.—To be eligible under paragraph (a) of this section a three-share program shall pay the costs of services provided under subparagraph (A)(i) by charging a monthly premium for each covered individual to be divided as follows:

"(i) Not more than 30 percent of such premium shall be paid by a qualified employee desiring coverage under the three-share program.

"(ii) Not more than 30 percent of such premium shall be paid by the qualified employer of such a qualified employee.

"(iii) At least 40 percent of such premium shall be paid from amounts provided under a State law.

"(iv) Any remaining amount shall be paid through their employment or employer.

"(C) PROGRAM FLEXIBILITY.—A three-share program may set an income eligibility guideline for purposes.

"(3) COVERAGE.—

"(A) IN GENERAL.—To be an eligible three-share program under this section, the three-share program shall provide at least the following benefits:

"(i) Physicians services.

"(ii) In-patient hospital services.

"(iii) Out-patient services.

"(iv) Emergency room visits.

"(v) Emergency ambulance services.

"(vi) Diagnostic lab fees and x-rays.

"(vii) Prescription drug benefits.

"(B) LIMITATION.—Nothing in subparagraph (A) shall be construed to require that a three-share program provide coverage for services performed outside the region described in paragraph (2)(A)."
opportunity to vote and have that vote counted in Federal elections, regardless of color, ethnicity, disability, language, or the resources of the community in which they live.

(4) Congress has an obligation to ensure the uniform and nondiscriminatory exercise of that right by removing barriers in the form of existing administration procedures and technology and insufficient and unequal resources of State and local governments.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To secure the opportunity to participate in democracy for all eligible American citizens by establishing a national Federal write-in absentee ballot for Federal elections.

(2) To expand and establish uniform and nondiscriminatory requirements and standards to remove administrative procedural barriers and technological obstacles to casting a vote and having that vote counted in Federal elections.

(3) To expand and establish uniform and nondiscriminatory requirements and standards to provide for the accessibility, accuracy, verifiability, privacy, and security of all voting systems and technology used in Federal elections.

(4) To provide a Federal funding mechanism for the States to implement the requirements of this Act and to provide resources to protect voting rights and the integrity of Federal elections in the United States.

SEC. 3. NATIONAL FEDERAL WRITE-IN ABSENTEE BALLOT.

(a) IN GENERAL.—

(1) IN GENERAL.—Title III of the Help America Vote Act of 2002 (42 U.S.C. 1551 et seq.) is amended by adding at the end the following new subtitle:

“Subtitle E—Guidance and Standards

SEC. 297. NATIONAL FEDERAL WRITE-IN ABSENTEE BALLOT.

(a) Form of Ballot.—The Commission shall prescribe a national Federal write-in absentee ballot, including a secrecy envelope and mailing envelope for such ballot, for use in elections for Federal office.

(b) Standards.—The Commission shall prescribe standards for—

(1) distributing the national Federal write-in absentee ballot, including standards for distributing such ballot through the Internet; and

(2) processing and submission of the national Federal write-in absentee ballot.

(c) CONFORMING AMENDMENT.—Section 216 of the Help America Vote Act of 2002 (42 U.S.C. 15522) is amended by adding at the end the following:

“(6) The programs, systems and technology used in such elections shall be designed to provide for the accessibility, accuracy, verifiability, privacy, and security of all voting systems and technology used in Federal elections in the United States, and the voting systems and technology used in such elections shall be in compliance with subsection (b).”

(2) Effective Date.—The programs, systems and technology used in such elections shall be in compliance with subsection (b) on and after January 1, 2009.

(f) Definition.—In this section, the term ‘national Federal write-in absentee ballot’ means a uniform program, system or technology that provides for the uniform and nondiscriminatory exercise of the right of voting and independence equal to that provided for other voters.

(2) To secure the opportunity to participate in democracy for all eligible American citizens by establishing a national Federal write-in absentee ballot for Federal elections.

(a) IN GENERAL.—Any person who is otherwise qualified to vote in a Federal election in a State shall be permitted to use the national Federal write-in absentee ballot prescribed by the Election Assistance Commission under section 297 to cast a vote in an election for Federal office.

(b) Submission and Processing.—

(1) IN GENERAL.—Except as otherwise provided in this section, a national Federal write-in absentee ballot shall be submitted and processed in accordance with paragraph (2) for absentee ballots in the State involved.

(2) DEADLINE.—An otherwise eligible national Federal write-in absentee ballot shall be counted if it is marked or signed before the close of the polls on election day and received by the appropriate State election official on or before the date which is 10 days after the date of the election or the date provided for receipt of absentee ballots under State law, whichever is later.

(c) SPECIAL RULES.—The following rules shall apply with respect to national Federal write-in absentee ballots:

(1) In completing the ballot, the voter may designate a candidate by writing in the name of the candidate or by writing in the name of a political party (in which case the ballot shall be counted for the candidate of that political party).

(2) In the case of the offices of President and Vice President, a vote for a named candidate or a vote by writing in the name of a political party shall be counted as a vote for the electors supporting the candidate involved.

(3) Any abbreviation, misspelling, or other minor variation in the form of the name of a political party shall be disregarded in determining the validity of the ballot.

(d) Effective Date.—Each State shall be required to comply with the requirements of this section on and after January 1, 2007.

(2) CONFORMING AMENDMENT.—Section 401 of the Help America Vote Act of 2002 (42 U.S.C. 15511) is amended by striking ‘‘303’’ and ‘‘303’’ and inserting ‘‘303, and subtitle C’’.

(b) NATIONAL FEDERAL WRITE-IN ABSENTEE BALLOT.

(1) IN GENERAL.—Title II of the Help America Vote Act of 2002 (42 U.S.C. 15321 et seq.) is amended by adding at the end the following new section:

“Subtitle E—Guidance and Standards

SEC. 297. NATIONAL FEDERAL WRITE-IN ABSENTEE BALLOT.

(a) Form of Ballot.—The Commission shall prescribe a national Federal write-in absentee ballot, including a secrecy envelope and mailing envelope for such ballot, for use in elections for Federal office.

(b) Standards.—The Commission shall prescribe standards for—

(1) distributing the national Federal write-in absentee ballot, including standards for distributing such ballot through the Internet; and

(2) processing and submission of the national Federal write-in absentee ballot.

(c) CONFORMING AMENDMENT.—Section 216 of the Help America Vote Act of 2002 (42 U.S.C. 15522) is amended by adding at the end the following:

“(6) The programs, systems and technology used in such elections shall be designed to provide for the accessibility, accuracy, verifiability, privacy, and security of all voting systems and technology used in Federal elections in the United States, and the voting systems and technology used in such elections shall be in compliance with subsection (b).”

(2) Effective Date.—The programs, systems and technology used in such elections shall be in compliance with subsection (b) on and after January 1, 2009.

(f) Definition.—In this section, the term ‘national Federal write-in absentee ballot’ means a uniform program, system or technology that provides for the uniform and nondiscriminatory exercise of the right of voting and independence equal to that provided for other voters.
systems and poll workers for each polling place on the day of any Federal election and on any days during which early voting is allowed for a Federal election.

(b) DISTRIBUTION.—The standards described in subsection (a) shall provide for a uniform and nondiscriminatory geographic distribution of such systems and workers.

(c) DEVIA TION.—The standards described in subsection (a) shall permit a State, upon providing adequate public notice, to deviate from any requirement in the case of unforeseen circumstances such as a natural disaster, terrorist attack, or a change in voter turnout.

SEC. 3. ELECTION DAY REGISTRATION.

(a) REQUIREMENT.—Subtitle C of title III of the Help America Vote Act of 2002 is, as added and amended by this Act, amended by adding at the end the following new section:

(b) ELECTRONIC VOTER REGISTRATION FORM.—The Commission shall establish a program under which individuals may access and submit voter registration forms electronically through the Internet.

(c) EFFECTIVE DATE.—Each State shall be required to comply with the requirements of this section on and after January 1, 2009.

SEC. 4. STANDARDS FOR INTERNET REGISTRATION PROGRAMS.

The Commission shall develop standards regarding the design and operation of programs which allow electronic voter registration through the Internet.

SEC. 5. ESTABLISHING VOTER IDENTIFICATION.

(a) IN GENERAL.—Each State shall be required to comply with the requirements of this section on and after January 1, 2009.

(b) STANDARDS FOR VERIFYING VOTER IDENTIFICATION.—(1) IN PERSON VOTING.—Clause (1) of section 303(b)(2)(A) of the Help America Vote Act of 2002 (42 U.S.C. 1548b(b)(2)(A)(i)) is amended by striking “or” at the end of clause (i) and by striking at the end the following new subclause:

“(II) executes a written affidavit attesting to such individual’s identity; or

(2) VOTING BY MAIL.—Clause (1) of section 303(b)(2)(A) of the Help America Vote Act of 2002 (42 U.S.C. 1548b(b)(2)(A)(ii)) is amended by striking “or” at the end of clause (ii) and by inserting “or” at the end of clause (ii) and by striking at the end the following new subclause:

“(III) a written affidavit executed by such individual, attesting to such individual’s identity.”

(c) AUTHORIZATION OF APPOINTMENTS.—Of the amount authorized to be appropriated under section 210 for fiscal year 2006, $100,000 shall be authorized solely to carry out the purposes of this subsection.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 6. IMPROVEMENTS TO VOTING SYSTEMS.

(a) IN GENERAL.—Subparagraph (B) of section 301(a)(1) of the Help America Vote Act of 2002 (42 U.S.C. 1548c(b)) is amended by striking “punch card voting system,” or a central count voting system”.

(b) CLARIFICATION OF REQUIREMENTS FOR PUNCH CARD SYSTEMS.—Subparagraph (A) of section 301(a)(1) of the Help America Vote Act of 2002 (42 U.S.C. 1548c(b)(1)(A)) is amended by inserting “punch card voting system,” after “any”. 

SEC. 7. ELECTION ADMINISTRATION REQUIREMENTS.

(a) IN GENERAL.—Paraphrase (4) of section 303(b) of the Help America Vote Act of 2002 (42 U.S.C. 1548b(c)(4)) is amended by adding at the end the following new subparagraph:

“(ii) SUBMISSION.—The State shall submit to the Director a report on and after January 1, 2009.

(b) VOTER REGISTRATION.

SEC. 9. ELECTION REGISTRATION.

(a) IN GENERAL.—Subtitle C of title III of the Help America Vote Act of 2002, as added and amended by this Act, is amended by adding at the end the following new section:

(b) EFFECTIVE DATE.—Each State shall be required to comply with the requirements of this section on and after January 1, 2009.

(c) EFFECTIVE DATE.—Each State shall be required to comply with the requirements of this section on and after January 1, 2009.

SEC. 10. ACCELERATION OF STUDY ON ELECTION DAY AS A PUBLIC HOLIDAY.

(a) IN GENERAL.—Section 241 of the Help America Vote Act of 2002 (42 U.S.C. 15881) is amended by adding at the end the following new subsection:

(b) REQUIREMENTS.—(1) IN GENERAL.—The report required under subsection (a) with respect to election administration issues described in section 241(b)(10) shall be submitted not later than 6 months after the date of the enactment of the Voting Enhancement and Technology Accuracy Rights Act of 2005.

(c) AUTHORIZATION OF APPOINTMENTS.—Of the amount authorized to be appropriated under section 210 for fiscal year 2006, $100,000 shall be authorized solely to carry out the purposes of this subsection.

SEC. 12. VOTER REGISTRATION.

(a) IN GENERAL.—Paragraph (4) of section 303(b) of the Help America Vote Act of 2002 (42 U.S.C. 1548b(c)(4)) is amended by adding at the end the following new subparagraph:

“(c) EXCEPTION.—On and after January 1, 2009.

(b) VOTER REGISTRATION.

SEC. 13. ESTABLISHING VOTER IDENTIFICATION.

(a) IN GENERAL.—Each State shall be required to comply with the requirements of this section on and after January 1, 2009.

(b) STANDARDS FOR VERIFYING VOTER INFORMATION.—Subsection E of title II of the Help America Vote Act of 2002, as added and amended by this Act, is amended by adding at the end the following new section:

(c) EFFECTIVE DATE.—Each State shall be required to comply with the requirements of this section on and after January 1, 2009.

SEC. 14. IMPARTIAL ADMINISTRATION OF ELECTIONS.

SEC. 27. ELECTION ADMINISTRATION REQUIREMENTS.

(a) IN GENERAL.—Subparagraph (B) of section 301(a)(1) of the Help America Vote Act of 2002 (42 U.S.C. 1548c(b)(1)) is amended by inserting “punch card voting system,” or a central count voting system”. 

(b) CLARIFICATION OF REQUIREMENTS FOR PUNCH CARD SYSTEMS.—Subparagraph (A) of section 301(a)(1) of the Help America Vote Act of 2002 (42 U.S.C. 1548c(b)(1)(A)) is amended by inserting “punch card voting system,” after “any”. 

SEC. 12. VOTER REGISTRATION.

(a) IN GENERAL.—(1) REQUIREMENTS.—The notice required under paragraph (1) shall be—

(1) provided in a uniform and nondiscriminatory manner;

SEC. 13. ESTABLISHING VOTER IDENTIFICATION.

(a) IN GENERAL.—Each State shall be required to comply with the requirements of this section on and after January 1, 2009.

(b) STANDARDS FOR VERIFYING VOTER INFORMATION.—Subtitle E of the Help America Vote Act of 2002, as added and amended by this Act, is amended by adding at the end the following new section:

(c) EFFECTIVE DATE.—Each State shall be required to comply with the requirements of this section on and after January 1, 2009.

SEC. 14. IMPARTIAL ADMINISTRATION OF ELECTIONS.

SEC. 27. ELECTION ADMINISTRATION REQUIREMENTS.

(a) IN GENERAL.—(1) REQUIREMENTS.—The notice required under paragraph (1) shall be—

(1) provided in a uniform and nondiscriminatory manner;

SEC. 15. IMPROVEMENTS TO VOTING SYSTEMS.

(a) IN GENERAL.—Subparagraph (B) of section 301(a)(1) of the Help America Vote Act of 2002 (42 U.S.C. 1548c(b)) is amended by striking “punch card voting system,” or a central count voting system”. 

(b) CLARIFICATION OF REQUIREMENTS FOR PUNCH CARD SYSTEMS.—Subparagraph (A) of section 301(a)(1) of the Help America Vote Act of 2002 (42 U.S.C. 1548c(b)(1)(A)) is amended by inserting “punch card voting system,” after “any”. 

SEC. 12. VOTER REGISTRATION.

(a) IN GENERAL.—(1) REQUIREMENTS.—The notice required under paragraph (1) shall be—

(1) provided in a uniform and nondiscriminatory manner;

SEC. 13. ESTABLISHING VOTER IDENTIFICATION.

(a) IN GENERAL.—(1) REQUIREMENTS.—The notice required under paragraph (1) shall be—

(1) provided in a uniform and nondiscriminatory manner;

SEC. 14. IMPARTIAL ADMINISTRATION OF ELECTIONS.

SEC. 27. ELECTION ADMINISTRATION REQUIREMENTS.

(a) IN GENERAL.—(1) REQUIREMENTS.—The notice required under paragraph (1) shall be—

(1) provided in a uniform and nondiscriminatory manner;
public notice describing all changes in State law affecting the administration of Federal elections since the most recent prior election.

(2) OBSERVERS.—
(1) IN GENERAL.—Each State shall allow uniform and nondiscriminatory access to any polling place for purposes of observing a Federal election to—
(A) party challengers;
(B) voting rights and civil rights organizations; and
(C) unaffiliated domestic observers and international observers.

(2) NOTICE OF DENIAL OF OBSERVATION REQUEST.—Each State shall issue a public notice with respect to any denial of access by any observer described in paragraph (1) for access to any polling place for purposes of observing a Federal election. Such notice shall be issued not later than 24 hours after such denial.

(c) EFFECTIVE DATE.—Each State shall be required to comply with the requirements of this section on and after January 1, 2007.

SEC. 15. STRENGTHENING THE ELECTION ASSISTANCE COMMISSION.

(a) BUDGET REQUESTS.—Part I of subtitle A of title II of the Help America Vote Act of 2002 (42 U.S.C. 15321 et seq.) is amended by inserting after section 209 the following new section:

"SEC. 209A. SUBMISSION OF BUDGET REQUESTS. —Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress and to the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate."

(b) EXEMPTION FROM PAPERWORK REDUCTION ACT.—Paragraph (1) of section 3502 of title 44, United States Code, is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) the Election Assistance Commission;"

(c) RULEMAKING.—Section 209 of the Help America Vote Act of 2002 (42 U.S.C. 15259) is amended—

(1) by striking "the Commission" and inserting the following:

"(a) IN GENERAL.—Except as provided in subsection (b), the Commission", and

(2) by inserting at the end the following new subsection:

"(b) EXCEPTIONS.—On and after January 1, 2007, subsection (a) shall not apply to any authority granted under subtitle E of this title or subtitle C of title III."

(d) NIST AUTHORITY.—Subtitle E of title II of the Help America Vote Act of 2002, as added and amended by this Act, is amended by adding at the end the following new section:

"SEC. 209E. TECHNICAL SUPPORT. —At the request of the Commission, the Director of the National Institute of Standards and Technology shall provide the Commission with technical support necessary for the Commission to carry out its duties under this title.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 210 of the Help America Vote Act of 2002 (42 U.S.C. 15330) is amended by striking "for each of fiscal years 2003 through 2005" and inserting "for fiscal year 2006".

(f) REPORTS.—In order to ensure that the Commission has the technical support necessary to carry out its duties under this Act, the Commission shall—

(1) provide a quarterly report to the Congress on the status of activities under this section; and

(2) submit an annual report on the activities of the Commission under this section to the Congress and to the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate.

Sec. 16. AUTHORIZATION OF APPROPRIATIONS.

Subsection (a) of section 257 of the Help America Vote Act of 2002 (42 U.S.C. 15486(a)) is amended by adding at the end the following new paragraph:

"(4) For fiscal year 2006, $2,000,000,000."
(b) CONFORMING AMENDMENT.—Section 1860D-2(3)(c)(ii) of the Social Security Act (42 U.S.C. 1395w-132(b)(4)(B)(ii)) is amended by striking “and the annual out-of-pocket threshold, respectively, are annually adjusted under paragraphs (1) and (4)(B) of section 1860D-2(b)” and inserting “is annually adjusted under paragraph (1) of section 1860D-2(b) (using the percentage increase specified in paragraph (6) of such section)”. 

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 101(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 171). 

SEC. 202. REQUIREMENTS TO PRESCRIPTION DRUG PLANS TO AVOID FEDERAL FALLBACK. 

(a) IN GENERAL.—Section 1860D-3(a) of the Social Security Act (42 U.S.C. 1395w–103(a)) is amended— 

(1) in paragraph (1)— 

(A) by striking “qualifying plans (as defined in paragraph (3))” and inserting “prescription drug plans”; and 

(B) by striking “, at least one of which is a prescription drug plan” and inserting “, and”; 

(2) in paragraph (2), by striking “qualifying plans” and inserting “prescription drug plans”; and 

(3) by striking paragraph (3). 

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 101(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 171). 

SEC. 203. WAIVER OF PART D LATE ENROLLMENT PENALTY FOR PHASED-DOWN STATE COVERAGE. 

(a) IN GENERAL.—Section 1860D-3(b) of the Social Security Act (42 U.S.C. 1395w–113(b)) is amended by adding at the end the following new paragraph: 

“(8) WAIVER OF PENALTY FOR MONTHS PRIOR TO 2006.—A part D eligible individual who enrolls for the first time in a prescription drug plan or an MA–PD plan under this part prior to January 1, 2006, shall not be subject an increase in the monthly beneficiary premium established under subsection (a) with respect to months occurring prior to such date.” 

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of section 101(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (117 Stat. 171). 

SEC. 204. IMPROVING THE TRANSITION OF FULL-BENEFIT DUAL ELIGIBLE INDIVIDUALS TO COVERAGE UNDER THE DRUG BENEFIT. 

(a) IN GENERAL.—Notwithstanding subsection (d)(1) of section 1935 of the Social Security Act (42 U.S.C. 1395u–5), beginning on January 1, 2006, the Secretary of Health and Human Services shall administer a 12-month period during which full-benefit dual eligible individuals (as defined in section 1935(c)(6) of the Social Security Act) shall initially transition from receiving medical assistance for prescribed drugs under the medicare program under title XIX of such Act to obtaining coverage of covered part D drugs as defined in section 1860D–2(e) (42 U.S.C. 1395w–102(e)) under title XVIII of such Act in order to assure that such individuals continue to receive such outpatient prescription drugs as they need. 

(b) ADJUSTMENTS TO PHASED-DOWN STATE CONTRIBUTION.—The Secretary of Health and Human Services shall make appropriate adjustments to the amount of payments required to be made by a State or the District of Columbia under section 1935(c) of the Social Security Act (42 U.S.C. 1395u–5) for months occurring during the period described in subsection (a) in order to account

Now their target is Social Security. They want to privatize this trusted program for the benefit of Wall Street bankers. They even want to cut benefits for women because—in the Republican view—they live too long. It’s time to end these shameful attacks on our seniors, restore Medicare and protect Social Security. 

I commend the leadership of my colleague from Minnesota, Senator DAYTON, and our Democratic Leader, Senator REID, in introducing this urgently needed legislation to make affordable Medicare to keep its promise to the elderly. 

Forty years ago, Congress enacted the landmark legislation that established Medicare. We would do well today to remember President Lyndon Johnson’s words on signing that historic bill in 1965: “No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings they have so carefully put away over a lifetime so that they might enjoy dignity in their later years.”

The ruinous Medicare legislation that the Republican Congress enacted in 2003 breaks that solemn promise. 

Medicare changed all that, and 40 years later, President Bush and the Republican Congress are wrong to try to turn back the clock. 

Today that number is one in a hundred. 

Before Medicare was enacted, American seniors were uninsured. Today that number is one in a hundred. 

Before Medicare was enacted, Americans turning 65 could expect to live another 14 years. Today, they can expect almost 18 more years. 

Mr. KENNEDY. Mr. President, the Bush Administration and the Republican Congress are no friend of America’s seniors. In 2003, they enacted legislation to privatize Medicare, even though Medicare has helped a generation of seniors live their golden years with health and dignity.
the Veterans Administration does for veterans—negotiate discounts on drug prices. The Bush Administration and the GOP Congress wouldn’t dare to prohibit the VA from doing that for the veterans, and they shouldn’t do it for seniors either.

The discounts on drug prices for veterans are substantial. On average, the price paid by the VA is 45 percent of the retail price, but often, the savings are even more dramatic. The retail price for Mevacor is $4 a pill, but the VA pays only 23 cents. The undiscounted price of Zantac is $1.83, but the VA pays two cents.

Senator DAYTON’s legislation abolishes the unconscionable provision that bars Medicare from negotiating discounts on drug prices for America’s seniors. That’s not price control—it’s common sense.

Republicans also claim that their new drug benefit is “voluntary.” Not exactly. If seniors don’t sign up the first year, they won’t be able to pay more and more to join in subsequent years. When they need the coverage, they may not be able to afford it.

Senator DAYTON’s legislation reverses this flagrant system of fines and mandates that seniors participate. When Congress enacts it, seniors will be able to sign up for the drug program without facing ruinous fines.

Good prescription drug coverage for senior citizens is a priority for Democrats. For the Administration and the Republicans in Congress, however, tax cuts for billionaires are more important than health care for senior citizens.

In addition, the 2003 Medicare law leaves too many elderly citizens with unaffordable costs. Seniors with moderate incomes and high drug expenses still face high drug costs. The benefits under the GOP law—with its $250 deductible, cost-sharing and $3,600 out-of-pocket limit of $3,600 on costs, but continued co-payment obligations even after the limit is reached—are far less generous than those enjoyed by most younger Americans, even though the elderly need for prescription drugs is much greater.

Senior citizens with an income of $15,000 and drug expenses of $4,000 would have to pay more than $2,900, including premiums, out of their own pocket. That’s too heavy a burden.

If they fall into the so-called doughnut hole, their situation is much worse. Under the 2003 law, the government makes no contribution to any drug costs between $2,350 in expenditures and $5,100 in expenditures. Patients who need $5,200 worth of prescriptions could be forced to pay $2,850 in drug expenses without any help at all from Medicare. That’s too much for an elderly person to pay and still meet other essential medical needs, pay the rent or buy food and other necessities of life.

Senator DAYTON’s proposal begins to fill in that doughnut hole by not allowing the cap on total out of pocket expenditures to rise after year, as it does under the GOP act. Under Senator DAYTON’s proposal, seniors will have the certainty of knowing where that limit is from one year to the next. As drug expenses rise, more seniors will find themselves unable to afford some of their medications when they need them most. Medicare at these high spending levels, and ultimately, the doughnut hole will close.

The Republican Medicare law is a raw deal for seniors, but it’s a bonanza for the drug industry and the insurance industry.

It gives massive subsidies to HMOs. Most Americans probably think it’s the job of insurance companies to guarantee the health of their beneficiaries, but according to the Republican view that’s wrong. They make America’s seniors guarantee the health and wealth of HMOs.

The government already pays private insurance plans 104 percent of what it costs them to provide seniors with the same health care. Republicans claim to be in favor of competition, but the playing field is tilted toward HMOs, and their 2003 Act tilted it further. You might think HMOs need that government help because they serve sicker or needier beneficiaries. Not true. Enrollees in private plans are actually healthier than those in Medicare, resulting in a further bonus of 8.7 percent to the private plans.

Senator DAYTON’s legislation requires realistic risk adjustment for private plans that provide services to seniors under Medicare. It removes the artificial calculations that inflate payments to HMOs and other private insurance carriers.

Another problem with the 2003 Act is that if the subsidies don’t provide enough profits, the Republican bill provides cash handouts for the insurance industry. If an HMO doesn’t make enough money in some area of the country, the Bush Administration can simply ladle out the cash—up to $12 billion a year—until the brie is high enough to get the company to participate.

Senator DAYTON’s legislation reverses this outrageous giveaway and ensures that the dollars devoted to this slush fund are used instead to provide better health care for seniors.

The Republican law stacks the deck against seniors in other ways. It allows one region to be served by only one prescription drug plan, along with a PPO. That gives the drug plan a monopoly in that region for seniors who want to remain in Medicare. If the only available drug plan is tailored to the healthiest and youngest seniors, it might be acceptable for a senior whose prescription needs are limited. But it gives no help to seniors who take medications for multiple chronic conditions every day. Seniors have no real recourse if they are left with the only drug plan in the region. The only way they can get prescription drug coverage is to enroll in the PPO.

Senator DAYTON’s legislation provides an effective guarantee that seniors who wish to remain in traditional Medicare will have a genuine choice of prescription-only plans. If a choice between at least two private drug-only plans is not available in any region, the Federal Government will provide a plan. This proposal ensures that any senior who wishes to remain in Medicare will have access to high-quality affordable prescription drug coverage.

The Republican Medicare law also destroys any hope of fair employer plans that millions of retirees depend on. The Congressional Budget Office estimates that almost three million retirees will lose their current drug coverage, because employers will drop the coverage when retirees become eligible for the new federal benefit, which is not as comprehensive.

Democrats fought to include provisions in that flawed legislation to help employers maintain the good coverage that many Americans depend on to meet their needs in retirement. Sadly, some employers could abuse these subsidies by failing to use them to assist their employees—and the Bush Administration is letting them get away with it. The weak regulation allow some unscrupulous employers to pocket the subsidy and weaken the coverage.

Senator DAYTON’s legislation will put an end to this scandalous practice by requiring employers to spend the funds they receive in subsidies. No longer will employers be able to hide that they are accepting subsidies to maintain retiree health coverage and still cut back the coverage. The Dayton bill also requires new research on ways to help employers maintain retiree coverage.

One of the most troubling aspects of the 2003 Act is that it victimizes six million senior citizens and disabled people who are the poorest of the poor. Their out-of-pocket payments for drugs will be raised, even though they do not even have coverage for the drugs they need the most.

Today, under Federal law, people with drug coverage under Medicaid may be charged only nominal amounts for the drugs they need. The vast majority of states charge nothing. For every other Medicare benefit, Medicaid wraps around Medicare coverage and picks up the slack. For prescription drugs, that means many Medicaid recipients pay nothing. That is not as comprehensive.

For every other Medicare benefit, Medicaid coverage takes effect when the retiree becomes eligible for Medicare. That allows the government to pay for the entire cost of the American people depend on to meet their needs in retirement. The Federal Government will provide a plan. This proposal ensures that any senior who wishes to remain in Medicare will have access to high-quality affordable prescription drug coverage.

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The Republican Medicare law also destroys any hope of fair employer plans that millions of retirees depend on. The Congressional Budget Office estimates that almost three million retirees will lose their current drug coverage, because employers will drop the coverage when retirees become eligible for the new federal benefit, which is not as comprehensive.
co-payments is devastating. Study after study finds that when the poor have to pay more for drugs, they end up hospitalized, in nursing homes, or dead.

Senator DAYTON’s legislation reversed this cruel provision and allows States to delay implementing the requirement that the new Medicare provisions must immediately supplant State Medicaid programs for the poorest of the poor.

Congress should be helping seniors with the burden of high drug costs, not allowing a right wing agenda to destroy the guarantee of affordable health care that America’s seniors deserve and expect.

That’s why Senator DAYTON and Senator REID have introduced this needed legislation, and I urge my colleagues to support it.

By Mr. CONRAD (for himself, Mr. REID, Mr. FEINGOLD, Ms. MIKULSKI, Ms. STABENOW, Mr. INOUYE, Mr. LEAHY, Mr. SALAZAR, Mr. ROCKEFELLER, Mr. SCHUMER, Mrs. FEINSTEIN, Mr. DAYTON, Mr. PASSALOY, Mrs.arkin, Ms. KIN, Mr. NOYEE, Ms. MIKULSKI, Mr. INOUYE, Mr. KERRY, Mrs. FEINSTEIN, Mr. CORZINE, Mr. L AUTENBERG, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KENNEDY, Mr. LEAHY, Mr. WYDEN, and Ms. STABENOW): A bill to reduce budget deficits by restoring budget enforcement and strengthening fiscal responsibility; to the Committee on the Budget.

Mr. CONRAD. 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. 19

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 “Fiscal Responsibility for a Sound Future Act”.

SEC. 2. EXTENSION OF THE DISCRETIONARY SPENDING CAPS.

(a) IN GENERAL.—Section 521(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) is amended to read as follows:—

“(c) DISCRETIONARY SPENDING LIMIT.—As used in this part, the term ‘discretionary spending limit’ means, with respect to fiscal year 2005—

“(1) for the discretionary category: $386,268,000,000 in new budget authority and $855,966,000,000 in outlays;

“(2) for the highway category: $31,761,000,000 in outlays; and

“(3) for the mass transit category: $956,000,000 in new budget authority and $5,748,000,000 in outlays; as adjusted in strict conformance with subsection (b).

(b) COMMITMENT OF THE SENATE.—Congress should enact a limit on total discretionary spending for fiscal year 2006.

SEC. 3. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by striking “enacted before the date of this Act” and

(2) in subsection (b), by striking “enacted before October 1, 2002”.

SEC. 4. EXTENSION OF BUDGET ENFORCEMENT THROUGH 2015.

Section 275 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 note) is amended by adding at the end the following:

“(d) REENACTMENT.—Part C of this title is reenacted into law effective for fiscal year 2006. Part D shall expire at the end of fiscal year 2015.”

SEC. 5. RECONCILIATION FOR DEFICIT REDUCTION.

(a) IN GENERAL.—It shall not be in order in the Senate to consider under the expedited procedures applicable to reconciliation in section 305 of the Congressional Budget Act of 1974 any bill, resolution, amendment, amendment between Houses, motion, or conference report that increases the discretionary spending for the period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget, the period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget, or the period of the 5 fiscal years following the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(b) BUDGET RESOLUTION.—It shall not be in order in the Senate to consider pursuant to sections 301, 305, or 310 of the Congressional Budget Act of 1974 pertaining to concurrent resolutions on the budget any resolution, concurrent resolution, amendment, amendment between Houses, motion, or conference report that contains any reconciliation directive that would increase the deficit in the first fiscal year covered by the most recently adopted concurrent resolution on the budget, the period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget, or the period of the 5 fiscal years following the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(c) SUPERMAJORITY WAIVER AND APPEAL.

This section may be waived or suspended in the Senate only by an affirmative vote of 3⁄5 of the Members, duly chosen and sworn. An affirmative vote of 2⁄3 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.

SEC. 6. SENATE PAYGO RULE.

(a) IN GENERAL.—Section 505(a)(5)(A) of H. Con. Res. 95 (108th Congress) is amended by striking “as adjusted for any changes in revenues or direct spending assumed by such resolution”.

(b) EXPIRATION DATE.—Section 505(e) of H. Con. Res. 95 (108th Congress) is amended by striking “2008” and inserting “2015”.

By Mr. REID (for himself, Mrs. MURRAY, Mr. SCHUMER, Mr. CORZINE, Mr. LAUTENBERG, Mrs. CLINTON, Mr. KERRY, Mrs. FEINSTEIN, Ms. CANTWELL, Mr. HAR- KIN, Ms. MIKULSKI, Mr. INOUYE, Mr. AKAKA, Mr. LEVIN, Mr. KEN- NEDY, Mr. LEAHY, Mr. WYDEN, and Ms. STABENOW):

S. 20

A bill to expand access to preventive health care services that help reduce unintended pregnancy, reduce the number of abortions, and improve access to women’s health care; to the Committee on Health, Education, Labor, and Pensions.

Mr. REID. 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. 20

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 “Prevention First Act”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
TITLE I—TITLE X OF PUBLIC HEALTH SERVICE ACT
Sec. 101. Short title.
Sec. 102. Authorization of appropriations.

TITLE II—FAMILY PLANNING STATE EMPOWERMENT
Sec. 201. Short title.
Sec. 202. State option to provide family planning services and supplies to additional low-income individuals.
Sec. 203. State option to extend the period of eligibility for provision of family planning services and supplies.

TITLE III—EQUITY IN PRESCRIPTION INSURANCE AND CONTRACEPTIVE COVERAGE
Sec. 301. Short title.
Sec. 303. Amendments to Public Health Service Act relating to the group market.
Sec. 304. Amendment to Public Health Service Act relating to the individual market.

TITLE IV—EMERGENCY CONTRACEPTION EDUCATION AND INFORMATION
Sec. 401. Short title.
Sec. 402. Emergency contraception education and information programs.

TITLE V—COMPASSIONATE ASSISTANCE FOR RAPE EMERGENCIES
Sec. 501. Short title.
Sec. 502. Survivors of sexual assault; provision by hospitals of emergency contraceptives without charge.

TITLE VI—TEENAGE PREGNANCY PREVENTION
Sec. 601. Short title.
Sec. 602. Teenage pregnancy prevention.

TITLE VII—ACCURACY OF CONTRACEPTIVE INFORMATION
Sec. 701. Short title.
Sec. 702. Accuracy of contraceptive information.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Although the Centers for Disease Control and Prevention (referred to in this section as the “CDC”) included family planning in its published list of the Ten Great Public Health Achievements in the 20th Century, the United States still has one of the highest rates of unintended pregnancies among industrialized nations.

(2) Each year, 3,000,000 pregnancies, nearly half of all pregnancies in the United States are unintended, and nearly half of unintended pregnancies end in abortion.

(3) In 2002, 3,000,000 pregnancies, nearly half of all pregnancies in the United States are unintended, and nearly half of unintended pregnancies end in abortion.

(4) The United States also has the highest rate of infection with sexually transmitted diseases of any industrialized country. In 2003 there were approximately 19,000,000 new cases of sexually transmitted diseases. According to the CDC (November 2004), these sexually transmitted diseases impose a tremendous economic burden with direct medical costs as high as $15,500,000,000 per year.
(5) Increasing access to family planning services will improve women’s health and reduce the rates of unintended pregnancy, abortion, and infection with sexually transmitted diseases (STDs). Every dollar spent on providing family planning services saves an estimated $5 in expenditures for pregnancy-related and newborn care for Medicaid alone.

(6) Contraception is basic health care that improves the health of women and children by enabling women to plan and space births.

(7) Providing unintended pregnancy care at greater risk for physical abuse and women having closely spaced births are at greater risk of maternal death.

(8) The child born from an unintended pregnancy is at greater risk of low birth weight, dying in the first year of life, being abused, and not receiving sufficient resources for healthy development.

(9) The ability to control fertility also allows couples to achieve economic stability by facilitating greater educational achievement and participation in the workforce.

(10) The average American woman desires two children and spends five years of her life pregnant or trying to get pregnant and roughly 30 years trying to prevent pregnancy. Many women are looking for contraception, a sexually active woman has an 85 percent chance of becoming pregnant within a year.

(11) Many of sexually active women ages 15 through 44 who were not using contraception increased from 5.4 percent to 7.4 percent in 2002, an increase of 37 percent, according to the CDC. This represents an apparent increase of 1,340,000 women and could raise the rate of unintended pregnancy.

(12) Many pregnant low-income women cannot afford to purchase contraceptive services and supplies on their own. 12,100,000 or 20 percent of all women ages 15 through 24 were uninsured in 2002, and that proportion has increased by 10 percent since 1999.

(13) Public health programs like Medicaid and title X (of the Public Health Service Act), the national family planning program, provide high-quality family planning services and other preventive health care to uninsured or uninsured individuals who may otherwise have no access to health care.

(14) Medicaid is the single largest source of public funding for family planning services and HIV/AIDS care in the United States. Half of all women who depend on contraceptive services and supplies in the United States are provided through Medicaid and approximately 5,500,000 women of reproductive age and 10 women bearing ages 15 and 44 rely on Medicaid for their basic health care needs.

(15) Each year, title X services enable American women to prevent approximately 1,000,000 unintended pregnancies, and one in three women of reproductive age who obtains testing or treatment for sexually transmitted diseases (STDs) through the Title X-funded clinics in 2003, title X-funded clinics provided 2,000,000 Pap tests, 5,100,000 sexually transmitted disease tests, and 526,000 HIV tests.

(16) The ongoing number of uninsured, stagnant funding, health care inflation, and new and expensive contraceptive technologies, and improved but expensive screening and treatment of sexually transmitted diseases, have diminished the ability of title X funded clinics to adequately serve all those in need. Taking inflation and the financial effects of the title X program declined by 58 percent between 1980 and 2003.

(17) While Medicaid remains the largest source of publicly subsidized family planning services, States are facing significant budgetary pressures to cut their Medicaid programs, putting many women at risk of losing coverage for family planning services.

(18) In addition, eligibility for Medicaid in many States is severely restricted leaving many eligible people without access to the care they need. Medicaid funding for family planning services in 2003 remained below 40 percent of the Federal share, leaving many poor women without access to the care they need.

(19) As of January 2005, 21 States offered expanded family planning benefits as a result of Medicaid family planning waivers. The cost-effectiveness of these waivers was affirmed by a recent evaluation funded by the Centers for Medicaid. This evaluation of six waivers found that all such programs resulted in significant savings to both the Federal and State governments. Moreover, the researchers found measurable reductions in unintended pregnancy.

(20) Although employer-sponsored health plans have improved coverage of contraceptive services and supplies, largely in response to State contraceptive coverage laws, there is still significant room for improvement. The ongoing lack of coverage in employer-sponsored health plans, particularly in self-insured and individual plans, continues to place effective forms of contraception beyond the financial reach of many women.

(21) Including contraceptive coverage in private health care plans saves employers money. Not covering contraceptives in employee health plans costs employers 15 to 17 percent more than providing such coverage.

(22) Approved for use by the Food and Drug Administration, emergency contraception is a safe and effective way to prevent unintended pregnancy after unprotected sex. It is estimated that the use of emergency contraception could cut the number of unintended pregnancies in half, thereby reducing the need for abortion. New research confirms that easier access to emergency contraceptives does not increase sexual risk-taking or sexually transmitted diseases.

(23) In 2000, 51,000 abortions were prevented by the use of emergency contraception. Increased use of emergency contraception accounts for 35 percent of the total for the decline in abortions between 1994 and 2000.

(24) A February 2004 CDC study of declining births and unintended pregnancies concluded that the reduction in teen pregnancy between 1991 and 2001 suggests that increased abstinence and increased use of contraceptives between the two years. As such, it is critically important that teens receive accurate, unbiased information about contraception.

(25) Thirty-seven percent of all teens give birth before age 20. 88 percent of births to teens age 17 or younger were unintended. 24 percent of Hispanic females gave birth before the age of 18.

(26) The American Medical Association, the American Nurses Association, the American Academy of Pediatrics, the American College of Obstetricians and Gynecologists, the American Public Health Association, and the Society for Adolescent Medicine, support responsible sexuality education that includes information about both abstinence and contraception.

(27) Teens who receive sex education that includes discussion of contraception are less likely to receive abstinence-only messages to delay sex and to have fewer partners and use contraceptives when they do become sexually active.

(28) Contraceptive only programs are precluded from discussing contraception except to talk about failure rates. A December 2004 review of federally funded abstinence-only programs by the United States House of Representatives Committee on Government Reform (Minority Staff) found that many federally funded abstinence-only program curricula distort public health data and misrepresent the effectiveness of contraception. Information on the effectiveness of preventing pregnancy and sexually transmitted diseases, including HIV, was often highly inaccurate.

TITLE I—PUBLIC HEALTH SERVICE ACT

SEC. 101. SHORT TITLE.

This Act may be cited as the ‘‘Family Planning State Empowerment Act’’.

SEC. 201. SHORT TITLE.

This Act may be cited as the ‘‘Family Planning State Empowerment Act’’.

SEC. 202. STATE OPTION TO PROVIDE FAMILY PLANNING SERVICES AND SUPPLIES TO ADDITIONAL LOW-INCOME INDIVIDUALS.

(a) In General.—(1) Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended—

(1) by redesignating section 1903 as section 1902(b) of the CDC; and

(2) by inserting after section 1935 the following:

‘‘SEC. 1902. STATE OPTION TO PROVIDE FAMILY PLANNING SERVICES AND SUPPLIES TO ADDITIONAL LOW-INCOME INDIVIDUALS.

‘‘(a) In General.—A State may elect (through a State plan amendment) to make medical assistance described in section 1905(a)(3)(C) available to any individual not otherwise eligible for such assistance—

(1) whose family income does not exceed an income level (specified by the State) that does not exceed the greatest of—

(A) 200 percent of the income official poverty line as defined by the Office of Management and Budget, and revised annually in accordance with section 673(a)(2) of the Community Services Block Grant Act; and

(B) the State’s official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(a)(2) of the Community Services Block Grant Act) applicable to a family of the size involved.

(2) (A) A State that has in effect (as of the date of the enactment of this section) a waiver under section 1115 to provide such medical assistance to individuals based on their income level (expressed as a percent of the poverty line), the eligibility income level as provided under such waiver; or

(B) the eligibility income level (expressed as a percent of the poverty line) that has been specified under the plan (including under section 1902(a)(2)), for eligibility of pregnant women for medical assistance; and

(3) (A) 200 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(a)(2) of the Community Services Block Grant Act) applicable to a family of the size involved; and

(B) the eligibility income level (expressed as a percent of the poverty line), the eligibility income level as provided under such waiver; or

(4) the income level (expressed as a percent of the poverty line) that has been specified under the plan (including under section 1902(a)(2)), for eligibility of pregnant women for medical assistance; and

(5) the income level (expressed as a percent of the poverty line), the eligibility income level as provided under such waiver; or

(6) the income level (expressed as a percent of the poverty line), the eligibility income level as provided under such waiver; or

(7) the income level (expressed as a percent of the poverty line), the eligibility income level as provided under such waiver; or

(b) Flexibility.—A State may exercise the authority under subsection (a) with respect to one or more classes of individuals described in such subsection.

(1) by striking ‘‘and’’ at the end of clause (xii);
(2) by adding “and” at the end of clause (xiii); and
(3) by inserting after clause (xiii) the following new clause:
“(xiv) individual designated in section 1935, but only with respect to items and services described in paragraph (4)(C),”.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to medical assistance provided on and after October 1, 2005.

SEC. 203. STATE OPTION TO EXTEND THE PERIOD OF DURABILITY FOR PROVISION OF FAMILY PLANNING SERVICES AND SUPPLIES.

(a) In General.—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended by adding at the end the following new paragraph:

“(xiv) in the case of a State, the State plan may provide for a covered individual to be provided with assistance described in section 1905(a)(4)(C), but who no longer qualifies for such assistance because of an increase in income or resources or because of the expiration of a post-partum period, the individual may remain eligible for such assistance for such period as the State may specify, but the period of extended eligibility under this paragraph shall not exceed a continuous period of 24 months for any individual. The State may apply the previous sentence to one or more classes of individuals and may vary the period of extended eligibility with respect to different classes of individual.”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to medical assistance provided on and after October 1, 2005.

TITLE III—EQUITY IN PRESCRIPTION INSURANCE AND CONTRACEPTIVE COVERAGE

SEC. 301. SHORT TITLE.

This Act may be cited as the “Equity in Prescription Insurance and Contraceptive Coverage Act”.

SEC. 302. AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) In General.—Subpart 2 of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following:

“SEC. 714. STANDARDS RELATING TO BENEFITS FOR CONTRACEPTIVES.

“(a) REQUIREMENTS FOR COVERAGE.—A group health plan, and any health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

“(1) exclude or restrict benefits for prescription contraceptives prescribed by a health care professional that may prescribe such drugs or devices, utilization review provisions, and limits on the volume of prescription drugs or devices that may be obtained on the basis of a single prescription or on a refills, or provide coverage for other experimental or investigational outpatient prescription drugs or devices, or experimental or investigational outpatient services; or

“(C) as modifying, diminishing, or limiting the rights or protections of an individual under any other Federal law.

“(2) limit, in the event of paragraph (1), the term ‘limitation’ includes—

“(A) in the case of a contraceptive drug or device, restricting the type of health care professional that may prescribe such drugs or devices, utilization review provisions, and limits on the volume of prescription drugs or devices that may be obtained on the basis of a single prescription or on a refills, or provide coverage for other experimental or investigational outpatient prescription drugs or devices, or experimental or investigational outpatient services; or

“(B) in the case of an outpatient contraceptive service, restricting the type of health care professionals that may provide such services, utilization review provisions, requirements relating to second opinions prior to the coverage of such services, and requirements relating to preauthorizations prior to the coverage of such services.

“(d) NOTICE UNDER GROUP HEALTH PLAN.—

The imposition of the requirements of this section shall be treated as a material modification of the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan, except that the summary description required to be provided pursuant to section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.

“(e) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of law to the extent that State law establishes, implements, or continues in effect any standard or requirement that provides coverage or protections for participants or beneficiaries that are greater than the coverage or protections provided under this section.

“(f) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001) is amended by adding after the item relating to section 714 the following:

“Sec. 714. Standards relating to benefits for contraceptives.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning on or after January 1, 2006.

SEC. 303. AMENDMENTS TO PUBLIC HEALTH SERVICE ACT RELATING TO THE GROUP MARKET.

(a) REQUIREMENTS FOR COVERAGE.—A group health plan, and any health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

“(1) exclude or restrict benefits for prescription contraceptives prescribed by a health care professional (referred to in this section as ‘contraceptive services’), described in section (a), in accordance with this section;

“(4) provide incentives (monetary or otherwise) to a health care professional to induce such professional to withhold from a covered individual contraceptive drugs or devices, or provided contraceptive services, described in subsection (a), in accordance with this section;

“(b) PROVIDER OF CARE.—A group health plan, and any health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

“(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan because such individual or enrollee’s use or potential use of items or services that are covered in accordance with the requirements of this section;

“(2) provide monetary payments or rebates to a covered individual to encourage such individual to accept less than the minimum protections available under this section;

“(3) penalize or otherwise reduce or limit the reimbursement of a health care professional that may prescribe such drugs or devices, or provided contraceptive services, described in subsection (a), in accordance with this section;

“(4) provide incentives (monetary or otherwise) to a health care professional to induce such professional to withhold from a covered individual contraceptive drugs or devices, or provided contraceptive services, described in subsection (a), in accordance with this section;

“(c) RULES OF CONSTRUCTION.—

“(1) IN GENERAL.—Nothing in this section shall be construed—

“(A) to require a group health plan to cover contraceptive services, described in sub-
‘‘(A) as preventing a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan from imposing deductibles, coinsurance, or other cost-sharing or limitations in relation to—

‘‘(i) benefits for contraceptive drugs under the plan or coverage, except that such a deductible, coinsurance, or other cost-sharing or limitation or for any such drug shall be consistent with those imposed for other outpatient prescription drugs otherwise covered under the plan or coverage;

‘‘(ii) benefits for contraceptive devices under the plan or coverage, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such drug shall be consistent with those imposed for other outpatient prescription devices otherwise covered under the plan or coverage; and

‘‘(iii) benefits for outpatient contraceptive services under the plan or coverage, except that such a deductible, coinsurance, or other cost-sharing or limitation for such service shall be consistent with those imposed for other outpatient health care services otherwise covered under the plan or coverage;

‘‘(B) as requiring a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan to cover experimental or investigational contraceptive drugs or devices, or experimental or investigational contraceptive services, described in subsection (a), except to the extent that the plan or issuer provides coverage for other experimental or investigational drugs or devices, or experimental or investigational outpatient health care services; or

‘‘(C) as modifying, diminishing, or limiting the reinsurance payments of an individual under any other Federal law.

‘‘(2) LIMITATIONS.—As used in paragraph (1), the term ‘limitation’ includes—

‘‘(A) a classification of contraceptive drug or device, restricting the type of health care professionals that may prescribe such drugs or devices, utilization review provisions, and limits on the volume of prescription drugs or devices that may be obtained on the basis of a single consultation with a professional; or

‘‘(B) in the case of an outpatient contraceptive service, restricting the type of health care professionals that may provide such services, utilization review provisions, requiring benefits to second opinions prior to the coverage of such services, and requirements relating to preauthorizations prior to the coverage of such services.

‘‘(d) NOTICE.—A group health plan under this part shall comply with the notice requirements under section 1714(d) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan.

‘‘(e) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of State law to the extent that such State law establishes, implements, or continues in effect any standard or requirement that provides coverage or protections for enrollees that are greater than the coverage or protections provided under this section.

‘‘(f) DEFINITION.—In this section, the term ‘outpatient contraceptive services’ means contraceptive services, procedures, and medical services, provided on an outpatient basis and related to the use of contraceptive methods (including natural family planning) to prevent an unintended pregnancy.’’

SEC. 204. AMENDMENT TO PUBLIC HEALTH SERVICE ACT RELATING TO THE INDIVIDUAL MARKET.

(a) In General.—Part F of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–41 et seq.) is amended—

(1) by redesignating the first subsection 3 (relating to other requirements) as subsection 2; and

(2) by adding at the end of subsection 2 the following:

‘‘(h) PROHIBITION ON COVERAGE OF ORGAN DONATION.—The information disseminated under paragraph (1) shall include, at a minimum—

(A) information describing the use, safety, efficacy, and availability of emergency contraception;

(B) a recommendation regarding the use of such contraception in appropriate cases; and

(C) information explaining how to obtain copies of the information developed under subsection (b), for distribution to the patients of the provider.

The provisions of section 2707 shall apply to health insurance coverage offered by a health insurance provider in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.’’

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after January 1, 2006.

TITLE IV—EMERGENCY CONTRACEPTION EDUCATION AND INFORMATION

SEC. 401. SHORT TITLE.

This Act may be cited as the ‘‘Emergency Contraception Education Act’’.

SEC. 402. EMERGENCY CONTRACEPTION EDUCATION AND INFORMATION PROGRAMS.

(a) DEFINITIONS.—For purposes of this section—

(1) EMERGENCY CONTRACEPTION.—The term ‘‘emergency contraception’’ means a drug or device (as the terms are defined in section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321)) or a drug regimen that—

(A) prevents pregnancy by preventing ovulation, fertilization of an egg, or implantation of an egg in a uterus; and

(B) approved by the Food and Drug Administration.

(2) HEALTH CARE PROVIDER.—The term ‘‘health care provider’’ means an individual who is licensed or certified under State law to provide emergency contraception to women, who is operating within the scope of such license.

(3) INSTITUTION OF HIGHER EDUCATION.—The term ‘‘institution of higher education’’ means an entity that is—

(A) an institution of higher education, as defined in section 122 of the Higher Education Act of 1965 (20 U.S.C. 1002); or

(B) the Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall develop and disseminate to the public information on emergency contraception.

(4) SECRETARY.—The term ‘‘Secretary’’ means the Secretary of Health and Human Services.

(b) EMERGENCY CONTRACEPTION PUBLIC EDUCATION PROGRAM.—

(1) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall develop and disseminate to the public information on emergency contraception.

(2) DISSEMINATION.—The Secretary may disseminate information under paragraph (1) directly or through arrangements with nonprofit organizations, consumer groups, institutions of higher education, Federal, State, or local agencies, clinics and the media.

(3) INFORMATION.—The information disseminated under paragraph (1) shall include, at a minimum, a description of emergency contraception, and an explanation of the use, safety, efficacy, and availability of such contraception.

(c) EMERGENCY CONTRACEPTION INFORMATION PROGRAM FOR HEALTH CARE PROVIDERS.—

(1) IN GENERAL.—The Secretary, acting through the Administrator of the Health Resources and Services Administration and in consultation with major medical and public health organizations, shall develop and disseminate to health care providers information on emergency contraception.

(2) INFORMATION.—The information disseminated under paragraph (1) shall include, at a minimum—

(A) information describing the use, safety, efficacy, and availability of emergency contraception;

(B) a recommendation regarding the use of such contraception in appropriate cases; and

(C) information explaining how to obtain copies of the information developed under subsection (b), for distribution to the patients of the provider.

There is authorized to be appropriated to carry out this section $10,000,000 for each of the fiscal years 2006 through 2010.

TITLE V—COMPASSIONATE ASSISTANCE FOR RAPE EMERGENCIES

SEC. 501. SHORT TITLE.

This Act may be cited as the ‘‘Compasionate Assistance for Rape Emergencies Act’’.

SEC. 502. SURVIVORS OF SEXUAL ASSAULT: PROVISION BY HOSPITALS OF EMERGENCY CONTRACEPTIVES WITHOUT CHARGE.

(a) IN GENERAL.—Federal funds may not be provided to a hospital under any health-related program, unless the hospital meets the conditions specified in subsection (b) in the case of—

(1) any woman who presents at the hospital and states that she is a victim of sexual assault, or is accompanied by someone who states she is a victim of sexual assault; and

(2) any woman who presents at the hospital who has reason to believe she is a victim of sexual assault.

(b) ASSISTANCE FOR VICTIMS.—The conditions specified in this subsection regarding a hospital and a woman described in subsection (a) are as follows:

(1) The hospital promptly provides the woman with medically and factually accurate and unbiased written and oral information about emergency contraception, including information explaining that—

(A) emergency contraception does not cause an abortion;

(B) emergency contraception is effective in most cases in preventing pregnancy after unprotected sex; and

(C) the hospital promptly offers emergency contraception to the woman, and promptly provides such contraception to her on request.

(2) The information provided pursuant to paragraph (1) is in clear and concise language, is readily comprehensible, and meets such conditions regarding the provision of the information in languages other than English as the Secretary may establish.

(3) The services described in paragraphs (1) through (3) are not denied because of the inability of the woman or her family to pay for the services.

(c) DEFINITIONS.—For purposes of this section—

(1) The term ‘‘emergency contraception’’ means a drug, drug regimen, or device that is—

(A) used postcoitally;

(B) prevents pregnancy by delaying ovulation, preventing fertilization of an egg, or preventing implantation of an egg in a uterus; and

(C) is approved by the Food and Drug Administration.

(2) The term ‘‘hospital’’ has the meanings given such term in title XVIII of the Social Security Act, including being applicable in such title for purposes of making payments for emergency services to hospitals
that do not have agreements in effect under such title.

(3) The term “Secretary” means the Secretary of Health and Human Services.

(4) The term “assault” means domestic assault in which the woman involved does not consent or lacks the legal capacity to consent.

(d) Effective Date; Agency Criteria.—

This section shall take effect upon the expiration of the 180-day period beginning on the date of enactment of this Act. Not later than 30 days prior to the expiration of such period, the Secretary shall publish in the Federal Register criteria for carrying out this section.

TITLE VI—TEENAGE PREGNANCY PREVENTION

SEC. 601. SHORT TITLE.

This title may be cited as the “Preventing Teen Pregnancy Act”.

SEC. 602. TEENAGE PREGNANCY PREVENTION.

Part P of title III of the Public Health Service Act (42 U.S.C. 239g et seq.) is amended by inserting after section 399N the following section:

"SEC. 399N-1. TEENAGE PREGNANCY PREVENTION GRANTS.

(a) Authority.—The Secretary may award on a competitive basis grants to public and private entities to establish or expand teenage pregnancy prevention programs.

(b) Grant Recipients.—Grant recipients under this section may include State and local educational agencies, coalitions working to prevent teenage pregnancy, State, local, and tribal agencies, schools, entities that provide after-school programs, and community and faith-based groups.

(c) Priority.—In selecting grant recipients under this section, the Secretary shall give—

(1) highest priority to applicants seeking assistance for programs targeting communities or populations in which—

(A) teenage pregnancy or birth rates are higher than the corresponding State average; or

(B) teenage pregnancy or birth rates are increasing; and

(2) priority to applicants seeking assistance for programs that—

(A) will benefit underserved or at-risk populations such as young males and immigrants; or

(B) will take advantage of other available resources and be coordinated with other programs that serve youth, such as workforce development or after-school programs.

(d) Use of Funds.—Funds received by an entity as a grant under this section shall be used for programs that—

(1) replicate or substantially incorporate the elements of one or more teenage pregnancy prevention programs that have been proven (on the basis of rigorous scientific research) to delay sexual intercourse or sexual activity, increase condom or contraceptive use (without increasing sexual activity), or reduce teenage pregnancy; and

(2) incorporate one or more of the following strategies for preventing teenage pregnancy: encouraging teenagers to delay sexual activity; and HIV/AIDS education; interventions for sexually active teenagers; preventive health services; youth development programs; service learning programs; and underage pregnancy programs.

(e) Complete Information.—Programs receiving funds under this section that choose to provide information on HIV/AIDS or contraceptive use shall neither provide information that is complete and medically accurate.

(f) Relation to Abstinence-Only Programs.—Funds under this section are not intended for abstinence-only education programs. Abstinence-only education programs that receive Federal funds through the Maternal and Child Health Block Grant, the Administration for Children and Families, the Adolescent Family Life Program, and any other program that uses the definition of "contraceptive information" found in section 510(b) of the Social Security Act are ineligible for funding.

(g) Applications.—Each entity seeking a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

(h) Matching Funds.—

(1) In General.—The Secretary may not award a grant to an applicant for a program under this section unless the applicant dem- onstrates that funds derived from non-Federal sources, at least 25 percent of the cost of the program.

(2) Applicant's Share.—The applicant’s share of the cost of a program shall be provided in cash or in kind.

(i) Supplementation of Funds.—An entity that receives funds as a grant under this section shall use the funds to supplement and not supplant funds that would otherwise be available to the entity for teenage pregnancy prevention.

(j) Evaluations.—

(1) In General.—The Secretary shall—

(A) conduct or provide for a rigorous evaluation of 10 programs for which a grant is awarded under this section;

(B) collect basic data on each program for which a grant is awarded under this section; and

(C) upon completion of the evaluations referred to in subparagraph (A), submit to the Congress a report that includes a detailed statement of the effectiveness of grants under this section.

(2) Cooperation by Grantees.—Each grant recipient under this section shall provide such information and cooperation as may be required for an evaluation under paragraph (1).

(k) Definition.—For purposes of this section, the term ‘‘rigorous scientific research’’ means based on a program evaluation that:

(1) measured impact on sexual or contraceptive behavior, pregnancy or childbirth;

(2) employed an experimental or quasi-experimental design with well-constructed and appropriate comparison groups;

(3) had a sample size large enough (at least 100 in the treatment and 100 in the control group) and a follow-up interval long enough (at least six months) to draw valid conclusions about impact;

(4) appropriated Appropriations.—There are authorized to be appropriated to carry out this section $20,000,000 for fiscal year 2006, and such sums as may be necessary for each subsequent fiscal year.

TITLe VII—ACcURACY OF CONTRACEPTIVE INFORMATION

SEC. 701. SHORT TITLE.

This title may be cited as the “Truth in Contraceptive Information Act”.

SEC. 702. ACCURACY OF CONTRACEPTIVE INFORMATION.

Notwithstanding any other provision of law, no Federal agency shall use contraceptive information to develop, promote, or distribute a contraceptive program through any federal agency funded education, family life education, abstinence education, comprehensive health education, or character education program shall be medically accurate and shall include health benefits and failure rates relating to the use of such contracep-

By Mrs. HUTCHISON:
This bill will also provide for tax relief for business-to-business transactions. These transactions, including used-product transactions which have already been taxed, are not subject to the sales tax, thereby abrogating any double taxation. Social Security and Medicare benefits would remain untouched under the Fair Tax bill. There would be no financial reductions to either one of these vital programs. Instead, the source of the trust-fund revenue for these two programs would simply be sales-tax revenue instead of payroll-tax revenue.

Lastly, under the Fair Tax Act, every American would receive a monthly rebate check equal to spending up to the Federal poverty level according to the Department of Health and Human Services guidelines. This rebate would ensure that no American pays taxes on the purchase of necessities.

The Fair Tax creates a fairer, simpler tax code that allows every American the freedom to determine his or her own priorities and opportunities. Ronald Reagan once said, "I believe we really can, however, say that God did give mankind virtually unlimited gifts to invent, produce, and invest and for that reason alone, it would be wrong for governments to devise a tax structure or economic system that suppresses and denies those gifts." I couldn't agree more.

And as long as we continue to operate under our current skewed Tax Code, we will continue to suppress and deny these unlimited gifts to the American people, who would otherwise thrive boundlessly under the Fair Tax.

By Mrs. HUTCHISON (for herself, Mr. FRIST, MS. CANTWELL, Mr. ENSIGN, Mr. ALEXANDER, and Mr. CORNYN):

S. 27. A bill to amend the Internal Revenue Code of 1986 to make permanent the deduction of State and local sales taxes; to the Committee on Finance.

Mrs. HUTCHISON, Mr. President, I am pleased to introduce a bill to permanently correct an injustice in the tax code that has harmed citizens in many States of this great Nation. State and local governments have various alternatives for raising revenue. Some levy income taxes, some use sales taxes, and others use a combination of the two. The citizens who pay State and local income taxes have been able to offset some of what they pay by receiving a deduction on their federal taxes. Before 1986, taxpayers also had the ability to deduct their sales taxes.

The philosophy behind these deductions is simple: people should not have to pay taxes on their taxes. The money that people must give to one level of government should not also be taxed by another level of government. Unfortunately, citizens of some States were treated differently after 1986 when the deduction for State and local sales taxes was eliminated. This discriminated against those living in States, such as my home State of Texas, with no income taxes. It is important to remember the lack of an income tax does not mean citizens in these States do not pay State taxes; these taxes are simply collected differently.

It is unfair to give citizens from some States a deduction for the revenue they provide their State and local governments, while not doing the same for citizens from other States. Federal tax law should not treat people differently on the basis of State residence and differing tax collection methods, and it should not provide an incentive for States to establish income taxes over sales taxes.

This discrepancy had a significant impact on Texas. According to the Texas Comptroller, the ability of taxpayers to deduct their sales taxes will lead to an additional $740 million staying in the hands of Texans each year, the creation of more than 16,500 new jobs, and the addition of $920 million in State economic activity.

Last year, we took an important step by reinstating a sales tax deduction. As a result, everyone now has the opportunity to deduct either their State and local income taxes or sales taxes. For the 55 million of us in the 7 States with a sales tax but no income tax, this means the tax code no longer discriminates against us. Unfortunately, the new deduction is only in effect for 2004 and 2005. We must act to prevent the inequity from returning.

The legislation I am offering today will fix this problem for good by making the State and local sales tax deduction permanent. This will permanently end the discrimination suffered by my fellow Texans and citizens of other States who do not have the option of an income tax deduction.

This legislation is about reestablishing equity to the tax code and defending the important principle of eliminating taxes on taxes. I hope my fellow Senators will support this effort. I ask unanimous consent that the test of the bill be printed in the RECORD.

Ms. CANTWELL, Mr. President, today I am joining my good friend the Senator from Texas, (Mrs. HUTCHISON), and the Senator from Tennessee, the leader of the Senate, Mr. LEADER, and one I want to recognize in you, the Senator from Illinois, Mr. DURBIN, to introduce legislation to permanently extend the State sales tax deduction. This bill aims to make permanent legislation that the Congress passed and the President signed into law last year on October 22, 2004 as a provision of the JOBS Act. It is a change to the tax code that I have worked to see enacted since coming to the U.S. Senate, and one I want to maintain.

The JOBS Act reconstituted, for a period of 2 years, the ability of taxpayers to deduct State and local sales taxes just as they would State and local income taxes. Residents of States such as Washington that do not have income taxes will be able to deduct State and local sales taxes under the Fair Tax Act of 2005.
taxes, but have State sales taxes, had not been able to do this since the 1986. Make no mistake about it: permanently extending the sales tax deduction is a tax cut for Washington State taxpayers. Such a cut will strengthen our economy and fundamentally restore basic tax fairness.

When the Federal income tax was first imposed in 1913, Congress allowed taxpayers to deduct State and local sales so they would not be taxed on once at the State level and then, again, at the Federal level in the same calendar year.

In 1986, after 74 years of precedent, this tax equity abruptly ended. Taxpayers from States without income taxes were given a raw deal when Congress made a budgetary squeeze play and ended the tax deduction for State sales taxes.

For States like Washington, where sales tax revenues are nearly 60 percent of the State budget, the impact is immense. The loss to Washington State sales tax revenues are nearly 60 percent and ended the tax deduction for State taxpayers from States without income taxes, had State sales taxes, had ended the tax deduction for State and local sales taxes from their Federal income tax. As I mentioned, this issue has been a primary one for me on behalf of the people I serve. In fact, when I became a member of this body in the 107th Congress, one of my first legislative acts was to cosponsor sales tax deduction legislation that at the time was introduced by the former Senator from Tennessee, Mr. Thompson. In the 108th Congress, Senator Hutchison and I carried the banner as the lead sponsors of similar legislation, the core of which we saw enacted into law for a 2-year period.

I am here once again in the 109th Congress with the Senator from Texas, Mrs. Hutchinson, on the heels of a victory for a two-year reprieve for our constituents, looking, now, for permanent equity in the tax code. I look forward to continuing to work with Senator Hutchinson, as well as Senator Frist and others, in moving this sales tax deduction legislation forward in the coming months.

Only by making the two-year law permanent will we be able to see to it that taxpayers from Washington State, or any other State, are not unfairly singled out to pay higher taxes. I urge prompt action on this measure.

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

S. 29. A bill to amend title 18, United States Code, to limit the misuse of social security numbers, to establish criminal penalties for such misuse, and for other purposes; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise on behalf of myself and Senator LEAHY to introduce legislation to protect one of America’s most vulnerable but valuable assets: Social Security numbers. This is the second Congress in a row that I have introduced this legislation, to restrict the sale and display of Social Security numbers.

We have begun a New Year, and unfortunately we can say with certainty that it will be another year in which millions of Americans will be victimized by identity theft, a crime so often linked to unprotected Social Security numbers. It is my hope that Congress will finally approve this legislation this year. For the benefit of all Californians and of all Americans, the Senate needs to take this step, to stop those who would do us harm by taking our very identities.

The goal of this bill is straightforward—to get Social Security numbers out of the public domain, so that identity thieves can’t get them. Toward this goal, this bill will do the following:

The heart of this bill prohibits anyone from selling or displaying an individual’s Social Security number to the general public without the individual’s express consent. But in recognition that sometimes there are legitimate needs for Social Security numbers, the bill also makes exceptions. Perhaps the most important exception allows the sale of Social Security numbers between businesses, or between the government and businesses. The bill also makes exceptions for law enforcement, national security, compliance with other laws, and a few other areas.

Additionally, this bill prohibits government entities from displaying Social Security numbers on public records that are posted on the Internet or in other electronic media after the legislation’s effective date. It also prohibits governments from printing Social Security numbers on government checks.

This bill also punishes people who fraudulently use Social Security numbers to obtain benefits that they do not deserve. Finally, this law has teeth to enforce its provisions. It gives the Attorney General the authority to issue civil penalties of up to $5,000 for people who misuse Social Security numbers. It also creates a criminal penalty, of up to five years in prison, for anyone who obtains another person’s Social Security number for the purpose of locating or identifying that individual with the intent to physically harm that person. And it lets the victims of identity theft sue in court to recover their loss from the person who causes it.

Mr. President, the need for this bill should be clear. Theft of a Social Security number can be especially dev- astating, because that piece of information has become a de facto universal identifier in American society.

Despite the widespread use of Social Security numbers, the General Accounting Office reported recently that “single federal law regulates the overall use or restricts the disclosure of SSNs by governments.” (Source: Social Security numbers: SSNs are Widely Used by Government and Could Be Better Protected, 2002 (GAO-02-691T) at page 5). As a result, the use of Social Security numbers is regulated by an inconsistent and insufficient patchwork of state and federal laws, that often leaves the numbers in plain view of the whole world.

One recent book on privacy in the United States documents how far the use of Social Security numbers has spread beyond its original purpose, when they were created in 1936, of tracking American workers’ earnings and benefits. According to the book: “The SSN began to be used for military personnel, legally admitted aliens, anyone receiving or applying for federal benefits, food stamp program eligibility, draft registration, and federal loans. State and local governments, as well as private sector entities such as schools and banks, began to use SSNs as well—for drivers’ licenses, birth certificates, donor cards, marriage licenses, insurance claims, Social Security retirement, worker’s compensation, occupational licenses, and marriage licenses.” (Source: Daniel Solove and Marc Rotenberg, Information Privacy Law, Aspen Publishers, 2001, at page 478.)

It isn’t surprising, then, that the sale of Social Security numbers is proceeding at a furious pace. According to the GAO in a report that it released earlier this year, ‘Internet-based information resellers who sold Social Security numbers to the general public. According to another GAO report, issued just the other month in November 2004, “State agencies in 41 States and the District of Columbia potentially sold or distributed visible SSNs in at least one type of record.” (Source: Government Could Do More to Reduce Display in Public Records and on Identity Cards, November 2004, Report Number GAO–05–59, on Highlights Page).

Governments also play a role in the widespread availability of Social Security numbers to the general public. According to another GAO report, issued just the other month in November 2004, “State agencies in 41 States and the District of Columbia potentially sold or distributed visible SSNs in at least one type of record.” (Source: Government Could Do More to Reduce Display in Public Records and on Identity Cards, November 2004, Report Number GAO–05–59, on Highlights Page.)

I urge prompt action on this measure.
For the past four years, the Federal Trade Commission has ranked identity theft as its top consumer complaint. When the new numbers for 2004 come out in early February, I will not be surprised if identity theft again ranks as the complaint.

The most comprehensive survey of identity-theft victimization, a Federal Trade Commission report released in 2003, found that nearly 10 million Americans had been victimized by identity theft in the previous year. The California Office of Privacy Protection estimates that 1.1 million of those victims were Californians.

A separate FTC report found California to have the third-highest rate of identity theft per capita in 2003, with the number of victims increasing by more than 28 percent from 2002.

For anyone still unconvinced about the need for this law, let me offer a few specific examples of identity theft.

In November, 2004, in my home state of California, a married couple—Antonio and Rose Espino—pled guilty after stealing the identities of over 1,000 victims, and also stealing more than $9.5 million in identity-protected unemployment insurance. They obtained employer payroll lists that included names and Social Security numbers. (Source: “San Joaquin couple plead guilty in identity-theft case,” Fresno Bee, November 29, 2004.)

In another case, Christopher Jones, a twenty-five-year-old employee at the University of North Carolina-Pembroke, stole approximately 3,000 Social Security numbers through his job, handing out towels and other equipment at the university gym, and then tried to sell them in blocks of 1,000 on eBay. He stated in his advertisement: “100 (one hundred Social Security # Number) cheaply sold — PayPal. Credit Cards Identity Theft I Don’t Care Bid Starts at a Dollar a Piece USPS Money Orders only—all Different.”


I personally first became aware of the need for a law to restrict the sale and display of Social Security numbers about eight years ago, when one of my staff members sat me down and downloaded my own Social Security Number from the Internet in a matter of minutes.

Unfortunately, Congress has done little to protect Social Security numbers since then. We still badly need a uniform law. Year after year, I have advocated and proposed such legislation that would restrict the public display and use of Social Security numbers.


None of these bills moved. Today, I stand before you yet again, to introduce for the fourth time a bill to take steps that will make it more difficult for thieves to steal this precious resource. This issue does not concern Republican government or Democratic government; this is an issue of good government.

Last year, the President signed into law a bill that I helped to author, to increase penalties for those who steal the identities of others. But punishment is not enough. We need to stop identity theft from occurring in the first place. This information should have been under lock and key long ago. It is time for us to act. Thank you Mr. President.

I ask for unanimous consent that the text of the legislation directly follow this statement in the Record.

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

S. 29
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 "Social Security Number Misuse Prevention Act." (b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. SHORT title; table of contents
Sec. 2. Findings
Sec. 3. Prohibition of the display, sale, or purchase of social security numbers
Sec. 4. Application of prohibition of the display, sale, or purchase of social security numbers to public records
Sec. 5. Rulemaking authority of the Attorn-
Sec. 6. Treatment of social security numbers on government documents
Sec. 7. Limits on personal disclosure of a social security number to the general public for consumer transactions
Sec. 8. Extension of civil monetary penalties for misuse of a social security number
Sec. 9. Criminal penalties for the misuse of a social security number
Sec. 10. Civil actions and civil penalties
Sec. 11. Federal injunctive authority

SEC. 2. FINDINGS.
Congress makes the following findings:

(1) The inappropriate display, sale, or purchase of social security numbers has contrib-
From the 107th Congress, I introduced S. 848 and S. 3100.

have become one of the tools that can be used to facilitate crime, fraud, and invasions of the privacy of the individuals to whom the numbers are assigned. Because the Federal Government does not permit individuals to exempt themselves from those requirements, it is appro-
In order for consent to exist under subsection (b) or (c), the person displaying or seeking to display, selling or attempting to sell, or purchasing or attempting to purchase, an individual’s social security number shall:

(1) inform the individual of the general purpose for which the number will be used, the types of persons to whom the number may be available, and the types of transactions permitted by the consent; and

(2) obtain the affirmatively expressed consent (electronically or in writing) of the individual that has been assigned a social security number. Because the Federal Government has used social security numbers to facilitate crime, fraud, and invasions of individual privacy, Congress makes the following findings:

(1) The inappropriate display, sale, or purchase of social security numbers has contributed to a growing range of illegal activities, including fraud, identity theft, and, in some cases, stalking and other violent crimes.

(2) When federal agencies, health care providers, and other entities have often used social security numbers to confirm the iden-

(3) The Federal Government requires virtually every individual in the United States to obtain and maintain a social security number in order to pay taxes, to qualify for Social Security benefits, or to seek employment. An unintended consequence of these requirements is that social security numbers

(5) No one should seek to profit from the display, sale, or purchase of social security numbers in circumstances that create a substantial risk of physical, emotional, or financial harm to the individuals to whom those numbers are assigned.

(6) Consequently, this Act provides each individual that has been assigned a social security number some degree of protection from the display, sale, and purchase of that number in any circumstance that might facilitate unlawful conduct.

SEC. 3. PROHIBITION OF THE DISPLAY, SALE, OR PURCHASE OF SOCIAL SECURITY NUMBERS.
(a) PROHIBITION.—
(1) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1028 the following:

"§ 1028A. Prohibition of the display, sale, or purchase of social security numbers

(1) DEFINITIONS.—In this section:

(1) DISPLAY.—The term ‘display’ means

(2) PURCHASE.—The term ‘purchase’ means

SEC. 4. APPLICATION OF PROHIBITION TO PUBLIC RECORDS.
(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1028 the following:

"§ 1028A. Prohibition of the display, sale, or purchase of social security numbers

(1) DEFINITIONS.—In this section:

(1) DISPLAY.—The term ‘display’ means

(2) PURCHASE.—The term ‘purchase’ means

(4) SALE.—The term ‘sale’ means obtaining, directly or indirectly, anything of value in exchange for a social security number.

(5) STATE.—The term ‘State’ means any State of the United States, the District of Columbia, Puerto Rico, the Mar-
The general display to the public, sale, or purchase of these num-
bers has been used to commit crimes, and also can result in serious invasions of individual privacy.

(2) The Federal Government requires virtually every individual in the United States to obtain and maintain a social security number in order to pay taxes, to qualify for Social Security benefits, or to seek employment. An unintended consequence of these requirements is that social security numbers

(6) EXCEPTIONS.—Nothing in this section shall be construed to prohibit or limit the
display, sale, or purchase of a social security number—

“(1) required, authorized, or excepted under any Federal law;”

“(2) for a public health purpose, including the protection of the health or safety of an individual in an emergency situation;”

“(3) for a national security purpose;”

“(4) for a crime prevention purpose including the investigation of fraud and the enforcement of a child support obligation;”

“(5) if the display, sale, or purchase of the number is for a use occurring as a result of an interaction between businesses, governments, or business and government (regardless of which entity initiates the interaction) and is not limited to—

“(A) the prevention of fraud (including fraud in protecting an employee’s right to employment benefits);”

“(B) the facilitation of credit checks or the facilitation of background checks of employees, prospective employees, or volunteers;”

“(C) the retrieval of other information from other businesses, commercial enterprises, government entities, or private non-profit organizations; or”

“(D) when the transmission of the number is incidental to a business involving a Federal, State, or local government or a business entity as may be defined by the appropriate regulators.

“(6) if the transfer of such a number is part of a data system involving a Federal, State, or local government or a business entity that is intended to serve the general public.

“(7) if such number is required to be submitted as part of the process for applying for any type of Federal, State, or local government benefit or program; except that, nothing in this subsection shall be construed as permitting a professional or commercial user to display or sell a social security number to the general public.

“(f) LIMITATION.—Nothing in this section shall prohibit or limit the display, sale, or purchase of social security numbers permitted under title V of the Gramm-Leach-Bliley Act, or for the purpose of affiliate sharing as permitted under the Fair Credit Reporting Act, except that no entity regulated under such Acts may make social security numbers available to the general public, as may be determined by the appropriate regulatory Acts. For purposes of this subsection, the general public shall not include affiliates or unaffiliated third-party business entities as may be defined by the appropriate regulatory Acts.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 47 of title 18, United States Code, is amended by inserting after section 1028A the following:

“(a) Public Records Exception.—

“(1) In general.—Section 1028A of title 18, United States Code (as amended by section 3(a)(1)), is amended by inserting after section 1028A the following:

"§ 1028B. Display, sale, or purchase of public records containing social security numbers.

“(a) Definition.—In this section, the term ‘public record’ means a governmental record that is made available to the general public.

“(b) In General.—Except as provided in subsections (c), (d), and (e), section 1028A shall not apply to a public record.

“(c) Public Records on the Internet or in an Electronic Medium.—

“(1) In General.—Section 1028A shall apply to any public record first posted onto the Internet or provided in an electronic medium by, or on behalf of a government entity after the date of enactment of this section, except as limited by the Attorney General in accordance with this section.

“(2) Exception for Government Entities Already Placing Public Records on the Internet or in Electronic Form.—Not later than 60 days after the date of enactment of this section, the Attorney General shall issue regulations regarding the applicability of section 1028A to any record of a category of public records first posted onto the Internet or provided in an electronic medium by, or on behalf of a government entity prior to the date of enactment of this section. The regulations will determine which individual records within categories of records of these government entities, if any, may continue to be posted on the Internet or in electronic form.

“In promulgating these regulations, the Attorney General may include in the regulations a set of procedures for implementing the regulations and shall consider the following:

“(A) The cost and availability of technology available to a governmental entity to regulate or control the display, sale, or purchase of social security numbers in public records first provided in electronic form after the effective date of this section.

“(B) The cost or burden to the general public of business enterprises, non-profit organizations, and to Federal, State, and local governments of complying with section 1028A with respect to such records.

“(C) The public benefit of use of public records for purposes of public education, commercial enterprises, non-profit organizations, and to Federal, State, and local governments if the Attorney General were to determine that section 1028A should apply to such records.

“(D) Harvested Social Security Numbers.—Section 1028A shall apply to any public record of a government entity which contains social security numbers extracted from other public records for the purpose of displaying or selling such numbers to the general public.

“(e) Attorney General Rulemaking on Paper Records.—

“(1) In General.—Not later than 60 days after the date of enactment of this section, the Attorney General shall conduct a study and prepare a report on the feasibility and advisability of applying section 1028A to the records listed in paragraph (2) when they appear on paper or on another non-electronic medium. If the Attorney General deems it appropriate, the Attorney General may issue regulations applying section 1028A to such records.

“(2) List of Paper and Other Non-electronic Records.—The records listed in this paragraph are as follows:

“(A) Professional or occupational licenses.

“(B) Marriage licenses.

“(C) Birth certificates.

“(D) Death certificates.

“(E) Other short public documents that display a social security number in a routine and consistent manner on the face of the document.

“§ 1028B. Display, sale, or purchase of public records containing social security numbers.

“(b) Study and Report on Social Security Numbers in Public Records.—

“(1) Study.—The Comptroller General of the United States shall conduct a study and prepare a report on social security numbers in public records. In developing the report, the Comptroller General shall consult with the Administrative Office of the United States Courts, State and local governments that store, maintain, or disseminate public records, and other stakeholders, including members of the private sector which routinely use public records that contain social security numbers.

“(2) Report.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the study conducted under paragraph (1). The report shall include a detailed description of the activities and results of the study and recommendations for such legislative action as the Comptroller General considers appropriate. The report, at a minimum, shall include—

“(A) a review of the uses of social security numbers in non-federal public records;

“(B) a review of the manner in which public records are stored (with separate reviews for both paper records and electronic records);

“(C) a review of the advantages or utility of public records that contain social security numbers, including the utility for law enforcement, and for the promotion of homeland security;

“(D) a review of the disadvantages or drawbacks of public records that contain social security numbers, including criminal activity, compromised personal privacy, or threats to homeland security;

“(E) the costs and benefits for State and local governments of removing social security numbers from public records, including recommendations for such legislative action as the Comptroller General considers appropriate. The report, at a minimum, shall include—

“(A) a review of the uses of social security numbers in federal public records;

“(B) a review of the manner in which public records are stored (with separate reviews for both paper records and electronic records);

“(C) a review of the advantages or utility of public records that contain social security numbers, including the utility for law enforcement, and for the promotion of homeland security;
(F) an assessment of the benefits and costs to businesses, their customers, and the general public of prohibiting the display of social security numbers on public records (with separate consideration for both paper records and electronic records).

(c) EFFECTIVE DATE.—The prohibition with respect to electronic versions of numbers of public records under section 102b2(b) of title 18, United States Code (as added by subsection (a)) shall not take effect until the date that is 60 days after the date of enactment of this Act.

SEC. 5. RULEMAKING AUTHORITY OF THE ATTORNEY GENERAL.

(a) In general.—Except as provided in subsection (b), the Attorney General may prescribe such rules and regulations as the Attorney General determines necessary to carry out the provisions of section 102b2(e) of title 18, United States Code (as added by section 3(a)(1)).

(B) The attorney general by the laws of that State to prevent an attorney general of a State from exercising the powers conferred on such attorney general by the laws of that State to—

(b) LIMITATION ON CLASS ACTIONS.—In an action brought under paragraph (1), process may be served in any manner that the court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(c) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to violations of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 406(c)(2)(C)(x)), as added by paragraph (1), occurring after the date that is 3 years after the date of enactment of this Act.

(d) PROHIBITION OF INMATE ACCESS TO SOCIAL SECURITY ACCOUNT NUMBERS.—(1) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 406(c)(2)(C)) (as amended by subsection (b)) is amended by adding at the end the following:

(ii) if the social security number is necessary to verify the identity of the consumer to effect, administer, or enforce the specific transaction requested or authorized by the consumer, or to prevent fraud.

(ii) ADMINISTRATIVE PENALTIES.—A violation of this section shall be deemed to be a violation of section 1129(a)(3)(F).

(c) APPLICABILITY OF LIMITATIONS.—A violation of this section shall be deemed to be a violation of section 208(a)(8).

(d) LIMITATION ON CLASS ACTIONS.—No class action alleging a violation of this section shall be maintained under this section by an individual or any private party in Federal or State court.

(e) STATE ATTORNEY GENERAL ENFORCEMENT.—(1) IN GENERAL.—

(A) CIVIL ACTIONS.—In any case in which an action is instituted by or on behalf of the Attorney General for violation of a provision of this title, no State, may, during the pendency of that action, institute an action under paragraph (1) against any defendant named in the complaint that action for violation of that practice.

(B) VENUE.—Any action brought under paragraph (1) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(C) SERVICE OF PROCESS.—In an action brought under paragraph (1), process may be served in any district in which the defendant—

(i) is an inhabitant; or

(ii) may be found.

(D) SUNSET.—This section shall not apply on or after the date that is 6 years after the effective date of this section.
(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to requests to provide a social security number occurring after the date that is 1 year after the date of enactment of this Act.

SEC. 8. EXTENSION OF CIVIL MONETARY PENALTIES OR DISCLOSURE REQUIREMENTS FOR PURPOSES OF LOCATING OR IDENTIFYING AN INDIVIDUAL.

(a) CIVIL PENALTIES.—The first sentence of section 1129(a)(1) of the Social Security Act (42 U.S.C. 1320a-3(a)(1)) is amended—

(1) by redesignating paragraph (2) as paragraph (4); and

(2) by redesignating the last sentence of paragraph (1) as paragraph (2) and inserting such paragraph after paragraph (1); and

(b) APPLICATION OF CIVIL PENALTIES.—Section 1129(a)(1) of the Social Security Act (42 U.S.C. 1320a-3(a)(1)), as amended by subsection (a)(1), is amended—

(1) by redesignating paragraph (2) as paragraph (4); and

(2) by redesignating the last sentence of paragraph (1) as paragraph (2) and inserting such paragraph after paragraph (1); and

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to requests to provide a social security number occurring after the date that is 1 year after the date of enactment of this Act.

SEC. 9. CRIMINAL PENALTIES FOR THE MISUSE OF A SOCIAL SECURITY NUMBER.

(a) PROHIBITION OF WRONGFUL USE AS PERSONAL IDENTIFICATION NUMBER.—No person may obtain any individual’s social security number for purposes of locating or identifying an individual with the intent to physically injure, harm, or use the identity of the individual for any illegal purpose.

SEC. 10. CIVIL ACTIONS AND CIVIL PENALTIES.

(a) CIVIL ACTION IN STATE COURTS.—

(1) IN GENERAL.—Any individual aggrieved by an act of any person in violation of this Act or any amendments made by this Act, or because of the laws or rules of the court of a State, bring an appropriate court of that State—

(A) an action to enjoin such violation;

(B) an action to recover for actual money loss from such a violation, or to receive up to $500 in damages for each such violation, whichever is greater; and

(C) both such actions.

It shall be an affirmative defense in any action brought under this paragraph that the defendant has established and implemented, due care, reasonable procedures to effectively prevent violations of the regulations prescribed under this Act. If the court finds that the defendant willfully or knowingly violated regulations prescribed under this subsection, the court may, in its discretion, increase the amount of the award to an amount equal to not more than twice the amount available under subparagraph (B).

(b) STATUTE OF LIMITATIONS.—An action may be commenced under this subsection not later than—

(1) 5 years after the date on which the alleged violation occurred; or

(2) 3 years after the date on which the alleged violation was reasonably discovered by the aggrieved individual.
The remedy provided under this subsection shall be in addition to any other remedies available to the individual.

(2) Civil Penalties.—Any person who the Attorney General determines has violated any section of this Act or of any amendments made by this Act, shall be subject to a civil penalty of not more than $5,000 for each violation and (B) to a civil penalty of not more than $50,000, if the violations have occurred with such frequency as to constitute a general business practice.

(2) Determination of Violations.—Any willing violence committed contemporaneously with respect to the social security number of 2 or more individuals by means of mail, telecommunication, or otherwise, shall be treated as a separate violation with respect to each such individual.

(3) Enforcement Procedures.—The provisions of section 1128A of the Social Security Act (42 U.S.C. 1320a-7a), other than subsections (a), (b), (f), (h), (i), (j), (m), and (n) and the provisions of subsection (c) of such section, and the provisions of subsections (d) and (e) of section 205 of such Act (42 U.S.C. 405) shall apply to a civil penalty action for violation of subsection (c) of such section.

In addition to any other enforcement authority conferred under this Act or the amendments made by this Act, the Federal Government shall have injunctive authority with respect to any violation by a public entity of any provision of this Act or of any amendments made by this Act.

By Mr. SARBANES (for himself, Mr. CORZINE, Mrs. CLINTON, Mr. AKARA, Mr. BINGAMAN, Mr. SCHUMER, Mr. DODD, Mrs. BOXER, Ms. MUKULSKI, and Mr. LIEBERMAN). January 24, 2005

S. 31. A bill to amend the Electronic Fund Transfer Act to extend certain basic protections to most persons who send remittances, and to provide the cost of sending cash remittances. The exchange rate conversion is often the mechanism for this abusive practice.

Second, remittances are currently not subject to the requirements set by Federal consumer protection law, including the disclosure of fees. There is no requirement that a remittance transfer provider disclose to the consumer the exchange rate fee that will be applied in the transaction. Without knowing the exchange rate, the company is charging, a consumer has little ability to gauge accurately the full cost of sending a remittance.

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states: “Remittance institutions should disclose in a fully transparent manner, complete information on total costs and transfer conditions, including all commissions and fees, foreign exchange rates applied and execution time.”

The total cost disclosure will include the cost of the exchange rate conversion as well as all up-front fees. This single item will both give consumers a more accurate representation of the cost of each remittance transaction and allow consumers to more effectively compare costs between remittance transfer providers.

In order to calculate the cost of the exchange rate conversion, which is part of the total cost, the legislation requires that the Treasury Department post on its website, on a daily basis, the exchange rate for all currencies. At present the Treasury receives this information on a daily basis, but posts it only on a quarterly basis on the Treasury website. The legislation requires that the Treasury post on its website, on a daily basis, the exchange rate for all currencies. At present the Treasury receives this information on a daily basis, but posts it only on a quarterly basis on the Treasury website.

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To calculate the cost of the consumer of the exchange rate, as posted on the Treasury website, and the exchange rate for all currencies. At present the Treasury receives this information on a daily basis, but posts it only on a quarterly basis on the Treasury website.

It is urgent that we continue to encourage efforts to bring those who send remittances into the financial mainstream. In his testimony to the Banking Committee, Dr. Orozco pointed out that, “About two-thirds of immigrants cash their salary checks in check cashing stores that charge exorbitant fees. Many of these same immigrants then use what remains of their income to send remittances back home. In this common scenario, immigrants are penalized in both receiving and sending their earnings.” In order to further encourage the informed consumer, the legislation requires that the Treasury post on its website, on a daily basis.

The legislation also requires that the Federal Reserve Board is also granted authority to establish additional remedies that cannot be addressed by the three specific remedies that are described in the legislation. It is urgent that we continue to encourage efforts to bring those who send remittances into the financial mainstream. In his testimony to the Banking Committee, Dr. Orozco pointed out that, “About two-thirds of immigrants cash their salary checks in check cashing stores that charge exorbitant fees. Many of these same immigrants then use what remains of their income to send remittances back home. In this common scenario, immigrants are penalized in both receiving and sending their earnings.” In order to further encourage the informed consumer, the legislation requires that the Treasury post on its website, on a daily basis.

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In addition to fee disclosure requirements, this legislation establishes an error resolution mechanism. Consumers whose remittance transactions experience an error have a fair, open, and expeditious process through which they may resolve those errors with the institution that conducted the flawed transaction. This basic right is already afforded to consumers who are protected by EFTA, and now this right will be extended to cover consumers who send remittances as well. Further, the legislation establishes an error resolution mechanism. Consumers whose remittance transactions experience an error have a fair, open, and expeditious process through which they may resolve those errors with the institution that conducted the flawed transaction.

Under this legislation, a consumer who has one year from the date that the remittance transfer company promised to deliver the money to notify the company that an error has occurred. The company is then required to resolve the error within 30 days. To resolve the error, the company must either 1. refund the full amount of the remittance that was not properly transferred, 2. send that amount at no additional cost to the consumer or the designated recipient, or 3. demonstrate to the consumer that there was no error. The Federal Reserve Board is also granted the authority to establish additional remedies that cannot be addressed by the three specific remedies that are described in the legislation.

It is urgent that we continue to encourage efforts to bring those who send remittances into the financial mainstream. In his testimony to the Banking Committee, Dr. Orozco pointed out that, “About two-thirds of immigrants cash their salary checks in check cashing stores that charge exorbitant fees. Many of these same immigrants then use what remains of their income to send remittances back home. In this common scenario, immigrants are penalized in both receiving and sending their earnings.” In order to further encourage the informed consumer, the legislation requires that the Treasury post on its website, on a daily basis.

In order to calculate the cost of the exchange rate conversion, which is part of the total cost, the legislation requires that the Treasury Department post on its website, on a daily basis, the exchange rate for all currencies. At present the Treasury receives this information on a daily basis, but posts it only on a quarterly basis on the Treasury website.

The total cost disclosure will include the cost of the exchange rate conversion as well as all up-front fees. This single item will both give consumers a more accurate representation of the cost of each remittance transaction and allow consumers to more effectively compare costs between remittance transfer providers.

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and as a practical matter have no way of finding out, and, as a consequence, in the aggregate pay billions of dollars in costs and hidden fees. They do not have available to them an established procedure for resolving transactional errors. This legislation rectifies this situation by extending to remittances the basic consumer rights established in EFTA. The bill also contains provisions that, when implemented, will allow more insured financial institutions to provide remittance services and potentially at lower costs to consumers. The bill contains important provisions to help bring the unbanked—men and women without an account at a bank or credit union—into the financial mainstream. Taken together, these measures will increase transparency, competition and efficiency in the remittance market, while helping to bring more Americans into the financial mainstream.

A broad range of community, civil rights, and consumer groups have endorsed this legislation including the National Council of La Raza, the Mexican American Legal Defense and Educational Fund, the League of United Latin American Citizens, the Leadership Conference on Civil Rights, United Farm Workers of America, the Farmworker Justice Fund, the NAACP, Casa de Maryland, the National Federation of Filipino American Associations, the Asian Pacific American Labor Alliance, National Asian Pacific American Legal Consortium, Consumers Union, Consumer Federation of America, the National Community Reinvestment Coalition, the Center for Responsible Lending, U.S. PIRG, ACORN, Woodstock Institute, and the National Association of Consumer Advocates. The Credit Union National Association and the World Council of Credit Unions, both of whom provide remittance services, have also endorsed this legislation. I ask unanimous consent that the text of International Remittance Consumer Protection Act be printed in the Record.

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

S. 31

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 “International Remittance Consumer Protection Act of 2005”.

SEC. 2. TREATMENT OF REMITTANCE TRANSFERS.

(a) In general.—The Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.) is amended—

(1) in section 902(b), by inserting “and remittance” after “electronic fund”;

(2) by redesignating sections 918, 919, 920, and 921 as sections 918, 920, 921, and 922, respectively; and

(3) by inserting after section 917 the following:

“SEC. 918. REMITTANCE TRANSFERS.

“(a) Disclosures Required for Remittance Transfers.—

“(1) IN GENERAL.—Each remittance transfer provider shall make disclosures to consumers, as specified by this section and augmented by regulation of the Board.

“(2) Special Disclosure.—In addition to any other disclosures applicable under this title, a remittance transfer provider shall clearly and conspicuously disclose, in writing and in a form that may be kept, to each consumer requesting a remittance transfer—

“(A) at the time at which the consumer makes the request, and prior to the consumer making any payment in connection with the transfer;

“(B) the total amount of currency that will be required to be tendered by the consumer in connection with the remittance transfer; and

“(C) the total remittance transfer cost, identified as the “Total Cost”; and

“(iv) an itemization of the charges included in clause (iii), as determined necessary by the Board.

“(B) at the time at which the consumer makes payment in connection with the remittance transfer, if any—

“(i) a receipt;

“(ii) the information described in subparagraph (A);

“(III) the promised date of delivery;

“(III) the name and telephone number or address of the designated recipient; and

“(ii) a notice containing—

“(A) information about the rights of the consumer under this section to resolve errors; and

“(B) appropriate contact information for the remittance transfer provider and its State licensing or Federal or State regulator, as applicable.

“(3) EXEMPTION AUTHORITY.—The Board may, by rule, and subject to subsection (d)(3), permit a remittance transfer provider—

“(A) to satisfy the requirements of paragraph (2) orally if the transaction is conducted entirely by telephone;

“(B) to satisfy the requirements of paragraph (2)(B) by mailing the documents required under this title that are otherwise applicable to electronic fund transfers, as defined in section 106(2) of title 18, to any other person of the provisions of section 5309 of title 31, United States Code, and section 1960 of title 18, United States Code, as applicable.

“(4) PUBLICATION OF EXCHANGE RATES.—The disclosures required under this section shall be made available to the designated recipient or to the consumer, the amount appropriate to resolve the error; or

“(B) to cause any fund transfer that would not otherwise be treated as such under paragraph (2) to be treated as an electronic fund transfer, or as otherwise subject to this title, for the purposes of any regulations referred to in subparagraph (A) or any regulations promulgated thereunder.

“(c) DEFINITIONS.—As used in this section—

“(1) the term ‘exchange rate fee’ means the difference between the total dollar amount transferred, valued at the exchange rate offered by the remittance transfer provider, and the total dollar amount transferred, valued at the exchange rate posted by the Secretary of the Treasury in accordance with section 613(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2363(b));

“(2) the term ‘exchange rate’ means the price (as defined in section 613(b) of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7006(2))),
transfer of funds at the request of a consumer located in any State to a person in another country that is initiated by a remittance transfer provider, whether or not the consumer is an account holder of the remittance transfer provider or whether or not the remittance transfer is also an electronic fund transfer, as defined in section 903;

(b) "Remittance transfer provider" means any person or financial institution that provides remittance transfers on behalf of consumers in the normal course of its business, whether or not the consumer is an account holder of that person or financial institution;

(c) "Transmitting country" means any country of the Western Hemisphere that has access to the automated clearinghouse system established by the Board of Governors of the Federal Reserve System and has a financial institution that can provide remittance transfers, including the exchange rate fee.

This legislation does two simple—yet critical—things. The ENRON Act would amend the Federal Power Act to put in place a broad prohibition on all manipulative practices in electricity markets—rather than just round-trip trading—as included in last year’s comprehensive energy bill; and it would specify that electricity rates resulting from manipulative practices are not just and reasonable under the Federal Power Act.

Many of my colleagues are, by now, familiar with the provisions of this legislation, as I have often described the circumstances that led me to propose it. While the Senate has been considering comprehensive energy legislation over the past few years, various investigations have unearthed Enron’s “smoking gun” memos—detailing the company’s schemes to drive up electricity prices—and other evidence leading to substantial economic injury. More-
used by Enron traders—manipulation tactics with infamous nicknames like Get Shorty, Death Star and Ricochet. We need to send a strong and unambiguous message that these practices will not be tolerated in our nation’s electricity markets. Nor do we need to agree on a matter of policy—that the victims of these schemes should not have to pay the inflated power prices resulting from market manipulation. The ENRON Act will make these commonsense principles the law of the land.

I would like to thank the original sponsors of this legislation, the Senator from New Mexico, Mr. Bingaman, the Senator from California, Mrs. Feinstein, the senior Senator from Washington, Mrs. Murray, and the junior Senator from Wisconsin, Mr. Feingold, for joining me today. It is our hope that the Senate will move toward swift passage of the ENRON Act.

Mr. President, I ask unanimous consent that a copy 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. 33

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 “Electricity Needs Rules and Oversight Now (ENRON) Act”.

SEC. 2. PROHIBITION OF ENERGY MARKET MANIPULATION.

(a) PROHIBITION.—Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding at the end the following:

“SEC. 215. PROHIBITION OF MARKET MANIPULATION.

“(a) It shall be unlawful for any person, directly or indirectly, to use or employ, in connection with the purchase or sale of electric energy or the purchase or sale of transmission services subject to the jurisdiction of the Commission, any manipulative or deceptive device or contrivance in contravention of such regulations as the Commission may promulgate as appropriate in the public interest or for the protection of electric ratepayers.”

(b) RATES RESULTING FROM MARKET MANIPULATION.—Section 205(a) of the Federal Power Act (16 U.S.C. 824d(a)) is amended by inserting after “not just and reasonable” the following: “or that result from a manipulative or deceptive device or contrivance”.

Mr. President, I am proud to cosponsor the Enron Energy Regulatory Oversight Now or ENRON Act of 2005, S. 33, introduced today by Senator Cantwell. Last summer the release of audiotapes of Enron traders gloating about their ability to manipulate energy markets shocked the Nation. As more tapes surface and energy prices continue to rise, the need for the Senate to pass the ENRON Act has never been more clear.

A public utility near Seattle, which is trying to get back the money it lost to Enron’s unscrupulous energy trading practices, received the tapes from the Justice Department. These tapes confirm what we all suspected: Enron manipulated energy markets and gouged consumers. According to these tapes, Enron traders celebrated when a forest fire shut down a major transmission line into California in 2000. This shutdown cut power supplies and raised energy prices. An energy trader bragged about it: “Beautiful! We had a beautiful thing.” These taped conversations also provide evidence that Enron made secret pacts with power producers, and Enron traders deliberately drove up prices by ordering power plants to shut down, to celebrate the fact that they were able to manipulate markets and steal money from the “grandmothers of California,” who one trader called “Grandma Millie.” The arrogance of these traders shocks the conscience. It also demonstrates the need for Congress to protect consumers from energy market manipulation. We cannot let the market abuses that took place during the Western energy crisis of 2000 happen again.

S. 2105 requires the Federal Energy Regulatory Commission to prohibit the use of manipulative practices like these that put at risk consumers and the reliability of the transmission grid. We learned from this crisis that electricity markets need close government oversight to ensure that companies do not engage in risky and deceptive trading schemes leading to soaring energy prices and their own possible financial failure. In both cases, consumers—the people who depend upon the electricity these companies generate or trade—are the losers.

The Senate recently went on record in support of barring abusive energy market practices when it approved an amendment to the fiscal year 2004 agricultural appropriations bill offered by Senator Cantwell. I am disappointed this language was stripped from the omnibus spending bill. These necessary protections were also omitted from the final energy conference report and the revised energy bill we voted on in April 2004.

We need to send a clear message to the energy industry that this behavior will not be tolerated, and we must show consumers that we will protect them from energy market manipulation. I encourage my fellow colleagues to pass this legislation.

By Mr. Lieberman:

S. 34. A bill to provide for the development of a global tsunami detection and warning system, to improve existing communication of tsunami warnings to all potentially affected nations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. LIEBERMAN. Mr. President, I rise today to introduce legislation that would close the gaps in our present tsunami warning system and establish a global network that will give all the people of the world a chance to evacuate—much like the hurricane and typhoon warning system works today across international boundaries.

Although the probability is slim, the United States, like all coastal nations, is vulnerable to tsunamis. The threat to the Pacific is greatest because of its relatively extensive seismic activity. But while the threat is less in the Atlantic, it also does exist. Tsunamis throughout the last century struck coastal Newfoundland and regions of the Caribbean including Puerto Rico, and the U.S. Virgin Islands.

As events last month in the Indian Ocean have shown, a large tsunami can be catastrophic when it reaches a coastal population unwarned and unprepared. Existing technology, however, can detect tsunamis and with the right forecasting models, be used to predict potential landfall of a tsunami and provide the warning needed for those in the path of the destructive waves.

The United States has been a leader in developing instrumentation for detecting tsunamis and developing forecasting models used for predicting tsunami landfall. Such technology is used in two existing tsunami warning centers, one in Alaska and one in Hawaii. The recent tsunami in South Asia has alerted the world to the dangers of these destructive waves and has caused many of us to seek ways that the United States can help the world avoid such tragic loss again.

The legislation I am introducing today builds on the existing United States model. It authorizes funding that will enable us to expand our existing capabilities, completes our network of seismic and tsunami sensors, and directs us to work in partnership with other nations as needed to build additional centers and the necessary network for disseminating warnings to the appropriate local officials. Similar efforts are being put forth by Senators Stevens and Inouye as leaders of the Commerce Committee, and by the Administration. I look forward to working with them toward legislation which, at relatively low cost, will allow us to partner with other nations and complete a global detection and warning system. This will help ensure that the kind of tragedy that befell the nations of the Indian Ocean region never happens again.

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. 34

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 “Global Tsunami Detection and Warning System Act of 2005”.

SEC. 2. DEVELOPMENT AND DEPLOYMENT OF TSUNAMI SENSORS.

(a) RESPONSIBILITIES OF SECRETARY OF COMMERCE.—The Secretary of Commerce shall—

(1) identify deficiencies in the existing system of worldwide seismic stations that can
identify real or near real time potentially tsunamiogenic earthquakes in any location in the Pacific, Atlantic, or Indian Oceans and associated seas;

(2) work with the Secretary of State to enlist international cooperation in deploying seismic sensors to eliminate such deficiencies;

(3) work with the Secretary of the Interior, through the Director of the United States Geological Survey to identify and implement any additions or improvements to the United States maintained network of seismic stations that are necessary to improve real time near real time signal acquisition and processing capability for detection of potentially tsunamigenic events;

(4) identify tsunami sensors, such as those developed by the National Oceanic and Atmospheric Administration and deployed under its Deep Ocean Assessment and Report of Tsunamis Project, or other appropriate ocean-based sensors, that can be deployed to detect potential tsunami generated by any type of disturbance, including earthquake, underwater landslide, above water landslide, eruption of an explosive volcano, and meteor impact;

(5) identify the number and location of such sensors that must be deployed throughout the Atlantic, Indian, and Pacific Oceans, and associated seas, and any other bodies of water that provide a system that would give complete global coverage for detection of a tsunami, taking into consideration and coordinating with any regional systems in place or under development through other nations in the affected regions;

(6) procure and deploy such sensors;

(7) establish the measurement system, forecasting communication system and infrastructure needed to receive and process the signals generated by such tsunami sensors, by building on existing infrastructure at existing Centers of the National Oceanic and Atmospheric Administration, such as the Pacific Tsunami Warning Center and West Coast and Alaska Tsunami Center; and

(8) disseminate tsunami forecasts and warnings as necessary to all potentially affected nations.

(b) PURPOSE TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Commerce shall submit to Congress a report on the progress made in carrying out the requirements of subsection (a).

SEC. 3. INTERNATIONAL CONFERENCE ON GLOBAL TSUNAMI DETECTION AND WARNING.

(a) SENSE OF CONGRESS ON CONVENING CONFERENCE.—It is the sense of Congress that the President, in consultation with the leaders of nations described in section 4(a)(1), should undertake to convene, within 180 days after the date of the enactment of this Act, an international conference on global tsunami detection and warning for the purposes of—

(1) supporting the common objective of such nations of preventing or reducing the toll of human loss from future tsunami-related natural disasters in the Pacific, Indian, and Atlantic Oceans and associated seas; and

(2) seeking international agreement on the most effective means for deploying and funding a global tsunami detection and warning system.

(b) SENSE OF CONGRESS ON ALTERNATIVE ACTIONS.—It is the sense of Congress that a conference described in subsection (a) would not be necessary if, as determined by the President after consultation with the Secretary of State, the Secretary of Commerce, and appropriate agencies and organizations, a structure at existing Centers of the National Oceanic and Atmospheric Administration headquarters.

(c) UNDISCLOSED.—Nothing in this section shall be construed to disclose any classified information or other information that is privileged or confidential.

SEC. 4. NETWORK OF NATIONS POTENTIALLY AFFECTED BY TSUNAMIS.

(a) REQUIREMENT FOR STRATEGY.—The Secretary of Commerce shall, in consultation with the Secretary of Commerce, shall prepare and implement a comprehensive strategy to achieve the following objectives:

(1) Identify existing networks of nations that have the potential to be adversely affected by tsunamis, particularly the nations that border the Pacific, Indian, and Atlantic Oceans, and

(2) Identify appropriate organizations, agencies, and contacts within the governments of the nations identified under section 4 and the ongoing participation in the Global Tsunami Warning System.

(b) SENSE OF CONGRESS ON INTERNATIONAL CONFERENCE.—It is the sense of Congress that a conference described in subsection (a) would not be necessary if, as determined by the President after consultation with the Secretary of State, the Secretary of Commerce, and appropriate agencies and organizations, a structure at existing Centers of the National Oceanic and Atmospheric Administration, that includes tsunami early detection and monitoring instrumentation integrated with modeling technology essential to producing real-time tsunami forecasts.

(3) Utilize the forecasts developed under the tsunami forecasting system to form appropriate warnings, and rapidly disseminate such warnings to potentially affected nations.

(4) Develop an appropriate warning communications system involving telephone, Internet, radio, fax, and other appropriate means to convey warnings as rapidly as possible to all potentially affected nations.

(5) Work in partnership with the nations identified under section 4 and the ongoing participation in the Global Tsunami Warning System.

(6) Utilize the forecasts developed under the tsunami forecasting system to form appropriate warnings, and rapidly disseminate such warnings to potentially affected nations.

(7) Seek funding assistance from participating nations to fund the sensor systems identified under section 4 and the ongoing operation and maintenance of such systems.

(8) SENSE OF CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to Congress a report on the strategy required under subsection (a). The report shall include the following:

(1) The strategy.

(2) The progress made on implementing the strategy.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated to carry out this Act as follows:

(1) For fiscal year 2006, S$30,000,000.

(2) For each fiscal year from 2007 through 2010, $7,500,000.

By Mr. CONRAD.

S. 35. A bill to amend the Internal Revenue Code of 1986 to extend the credit for production of electricity from wind; to the Committee on Finance.

Mr. CONRAD. Mr. President, I rise today to introduce the Wind Energy Production Tax Credit Extension Act. This legislation is very important for the expansion and competitiveness of the wind energy sector in North Dakota and the rest of the country.

There should be no doubt that the wind energy production tax credit, PTC, is vital for the continued growth of the wind energy sector. The PTC was enacted in 1992. Delays in renewing the PTC have caused a boom-and-bust cycle in the development of wind projects. These delays of the credit inhibit the development of a favorable and secure investment climate for wind projects and are also economically damaging as companies involved in wind energy lay off workers or put off hiring until the credit is extended. Given the long lead time required to develop new wind projects, short-term extensions of the credit do not give companies enough certainty to expand wind energy production. We need a long-term extension to provide that certainty.

Wind energy is an important component of our Nation’s energy portfolio. Wind is a clean source of energy that fosters economic development in rural and small communities. Combined with other domestic sources of energy, the use of wind energy helps reduce our dependence on foreign sources of energy. In addition, advanced wind energy technology could one day be an important component of a hydrogen-based economy. In order to ensure that wind power remains competitive with other fuels, passage of a long-term wind PTC is necessary.

In my home State, a long-term extension of the wind PTC is especially important. North Dakota is ranked number one in wind energy potential. As in other parts of the country, reliance on Congress to reextend the wind PTC prevents companies tied to wind energy from adding new long-term contracts. In general terms, this uncertainty inhibits economic investments in communities and certain manufacturers. For North Dakota, a long-term wind PTC extension is vital to continue the development of wind energy resources that are second to none.

The bill I am introducing today will extend the wind energy PTC, indexed to inflation, for five years. I believe that Congress has the responsibility to ensure that the wind energy sector in this country grows at its full potential.

In my view, wind is a crucial part of our country’s energy portfolio and energy security. In my view, wind is a crucial part of our country’s energy portfolio and energy security. This bill will help the wind energy industry grow and remain competitive in the developing wind energy sector. This bill will help the wind energy industry grow and remain competitive in the developing wind energy sector.
Mr. INOUYE. Mr. President, today I introduce the United States Military Cancer Institute Research Collaborative Act. This legislation would formally establish the United States Military Cancer Institute (USMCI), and support the collaborative augmentation of research efforts in cancer epidemiology, prevention and control. Although the USMCI already exists as an informal collaborative effort, this bill will formally establish the institute with a mission of providing for the maintenance of health in the military by enhancing cancer research and treatment, and studying the epidemiological causes of cancer among various ethnic groups. By formally establishing the USMCI, we will be in a better position to unite military research efforts with other cancer research centers.

Cancer prevention, early detection, and treatment are significant issues for the military population, thus the USMCI is needed to coordinate the existing military cancer assets. The USMCI has a comprehensive database of its beneficiary population of 9 million people. The military's nationwide tumor registry, the Automated Central Tumor Registry, has acquired more than 180,000 cases in the last 14 years, and a serum repository of 30 million specimens from military personnel collected sequentially since 1987. This population is predominantly Caucasian, African, and Hispanic.

The Director of the USMCI, Dr. John Potter, is a Professor of Surgery at the Uniformed Services University of the Health Sciences (USUHS). A highly talented molecular biologist, Kangmin Zhu, has also been recruited to lead the USMCI Prevention and Control Programs.

The USMCI currently resides in the Washington, D.C., area, and its components are located at the National Naval Medical Center, the Malcolm Grow Medical Center, the Armed Forces Institute of Pathology, and the Armed Forces Radiobiology Research Institute. There are more than 70 research workers, with both active duty and Department of Defense civilian scientists, working in the USMCI.

The USMCI intends to expand its research activities to military medical centers across the nation. Special emphasis will be placed on the study of genetic and environmental factors in carcinogenesis among the entire population, including Asian, Caucasian, African-American and Hispanic subpopulations.

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

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

SEC. 1. THE UNITED STATES MILITARY CANCER INSTITUTE.

(a) ESTABLISHMENT.—Chapter 104 of title 10, United States Code, is amended by adding at the end the following new section:

82117. United States Military Cancer Institute

(a) ESTABLISHMENT.—(1) There is a United States Military Cancer Institute in the University. The Director of the United States Military Cancer Institute is the head of the Institute.

(2) The Institute is composed of clinical and basic scientists in the Department of Defense who have an expertise in research, patient care, and education relating to oncology and who meet applicable criteria for participation in the Institute.

(b) The components of the Institute include military treatment and research facilities that meet applicable criteria and are designated as affiliates of the Institute.

(c) Research.—(1) The Director of the United States Military Cancer Institute shall carry out research studies on the following:

(A) The epidemiological features of cancer, including assessments of the carcinogenic effect of genetic and environmental factors, and of disparities in health, inherent or common among populations of various ethnic origins.

(B) The prevention and early detection of cancer.

(C) Basic, translational, and clinical investigation matters relating to the matters described in subparagraphs (A) and (B).

(2) The research studies under paragraph (1) shall include complementary research on oncologic nursing.

(d) Collaborative Research.—The Director of the United States Military Cancer Institute shall carry out the research studies under subsection (b) in collaboration with other cancer research organizations and entities selected by the Institute for purposes of the research studies.

(e) Annual Report.—(1) Promptly after the end of each fiscal year, the Director of the United States Military Cancer Institute shall submit to the President of the University a report on the results of the research studies carried out under subsection (b).

(2) Not later than 60 days after receiving the annual report under paragraph (1), the President of the University shall transmit such report to the Secretary of Defense and to Congress.

(2) Without Congressional action, the Breast Cancer Research Stamp will expire on December 31 of this year.

The life of this extraordinary stamp deserves to be extended as it has proven to be a highly effective and self-supporting fundraiser.

Since 1998, the American people have bought over 588 million breast cancer stamps—raising $42.66 million for breast cancer research.

The National Cancer Institute and the Department of Defense have put these research dollars to good use by funding novel and innovative research in the area of breast cancer.

Over a 7 year period, the Breast Cancer Stamp has demonstrated a very abused and committed customer base.

Millions of Americans have bought the stamps to honor loved ones with the disease, to highlight their own personal battle with breast cancer or to promote general public awareness—in hope of helping to find a cure.

One cannot calculate in dollars and cents how the stamp has focused public awareness on this devastating disease and the need for additional research funding.

There is still so much more to do because this disease has far reaching effects on our Nation:

Breast cancer is the most commonly diagnosed cancer among women in the United States, ranking second among cancer deaths in women after lung cancer.

In 2005, approximately 211,240 women in the U.S. will get breast cancer.

About 40,410 women will die from the disease this year.

There are over two million women living today in the U.S. who have been treated for breast cancer.

Though much less common, about 1,300 men in America are diagnosed with breast cancer each year.

It is imperative that we extend the life of this stamp so that we can continue to reach out to American women and men who are battling breast cancer and to those who are living with it.

This legislation would extend the authorization of the Breast Cancer Research Stamp for two additional years until December 31, 2007.

The stamp would continue to have a surcharge of up to 25 percent above the value of a first-class stamp with the surplus revenues going to breast cancer research.

Extending the Breast Cancer Research stamp does not affect any other semi-postal proposals under consideration by the Postal Service.

We urge our colleagues to join us in passing this important legislation to extend the Breast Cancer Research Stamp for another 2 years.

Thanks to breakthroughs in cancer research, more and more people are becoming cancer survivors rather than cancer victims. Every dollar we continue to raise will help save lives.

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

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

S. 37. A bill to extend the special postage surcharge on the Breast Cancer Research Stamp for 2 years; to the Committee on Homeland Security and Governmental Affairs.

Mrs. FEINSTEIN. Mr. President, on behalf of Senator Hutchison and myself, today I introduce legislation to reauthorize the tremendously successful Breast Cancer Research Stamp for 2 additional years.

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We urge our colleagues to join us in passing this important legislation to extend the Breast Cancer Research Stamp for another 2 years.

Thanks to breakthroughs in cancer research, more and more people are becoming cancer survivors rather than cancer victims. Every dollar we continue to raise will help save lives.

I ask unanimous consent that the text of the legislation be printed in the RECORD.
that this is happening, recognizes that a one-size-fits-all solution doesn’t work, and provides a framework to protect public health, while at the same time giving communities the flexibility they need to comply. 

State officials estimate it could cost communities $120 million—$176 million to comply with the standard. Many communities, fearing that this regulation could bankrupt them, are considering dramatically raising rates for drinking water to cover the construction and equipment. Extending the deadline is crucial for taxpayers and ratepayers throughout the country.

This bill allows small communities to adopt a locally supported public health policy as an alternative to the one prescribed by EPA. In many communities, the rule can reasonably be expected to more than double water rates on low-income families without improving the quality of their water in any appreciable way. Our bill provides a reasonable amount of time for our small communities to understand and implement EPA’s requirements, without bankrupting the system. It is the least we should do.

Senator NELSON of Nebraska and Senator PETE DOMENICI and Senator LARRY CRAIG to allow small rural communities more time to meet an onerous and financially burdensome water quality regulation that is being imposed on local governments by the Environmental Protection Agency. This bipartisan Rural Community Arsenic Relief Act (RCARA) will amend the Safe Drinking Water Act to exempt small rural communities with population of up to ten thousand from the EPA’s strict requirement to limit arsenic in drinking water to 10 parts per billion by January 1, 2006. Currently the allowable level of arsenic in drinking water is 50 ppb.

As a former governor who fought against unfunded Federal mandates from Washington, I understand the impact a policy such as this can have on local budgets.

Small rural communities simply don’t have the resources and tax base to meet the arsenic standard arbitrarily set by the EPA. This unfunded mandate is a strain on local government budgets and will drive up local taxes. It is not right to ask the elected officials of our small communities to spend their limited funds on risks that we are learning are not as dangerous as they have been portrayed. This legislation will allow local governments more time to plan for and absorb the costs of meeting the EPA’s standards for arsenic.

With each passing day it is increasingly evident that small communities will not be able to count on any immediate federal assistance in converting their water systems to meet the new arsenic standard. This bipartisan bill represents one means of giving more time to these communities, most of which have lived with arsenic—a widely distributed naturally occurring element—for ages.

Rural communities across America are grasping for solutions to comply with the new arsenic standard. Many reach the same conclusion—it is just too expensive. RCARA acknowledges
When I was bringing this issue up, I got an e-mail and many messages from people across the country. This one is from Mrs. Margaret Stubenhofer from Springfield, VA, who wrote:

Dear Senator Allen: On December 7, 2004, our son Captain Mark Stubenhofer (U.S. Army) was killed in action while serving in Iraq. He was shot by insurgents. Mark, who was born and raised in Springfield, VA, leaves behind a wife (Patty, age 30) and small children (Lauren, 5 yrs, Justin, 2½ yrs, and Hope, 4 months). I am writing to you in support of the proposed legislation to raise the military death benefit. It is appalling to me that our people, who also suffered a great tragedy, are receiving millions of dollars after their loved one died on 9-11, yet, dependents of military personnel killed in action while bravely serving their country in a foreign land receive only slightly more than $12,000 as a death gratuity and $100,000 in insurance benefits. I am very much in favor of these benefits being raised to a more reasonable level; and I ask you to continue to support such action as to make this possible. In all good conscience, how can we possibly ask these young men and women to be ready to die for their country . . . and then leave them someone with nothing when their worst nightmare actually becomes a reality?

That is a good question. That is why I am introducing, with a number of my Senate colleagues, the Honoring Our Fallen Soldiers and Families Act of 2005. I am glad this is getting a lot of support from both sides of the aisle and leadership. This legislation will raise the military death gratuity from $12,000 to $100,000 for the families of those service men and women who have lost their lives serving our great Nation since October 1, 2001. The reason for October 1, 2001—the retroactivity—is that when the military action began in Afghanistan. As I mentioned, there a number of other benefits that family members whose loved one has died will receive, but unlike the death gratuity that reaches families within 48 hours of the death, the other benefits can take some time—in fact, months— to make it to the family. That is just too long a period of time. They will eventually get it, but that short-term, immediate influx of money helps provide for the monetary stability at a time of great grief and uncertainty. The money can help pay for a home mortgage or for rent or gas or utilities bills, car payments, or schooling. In our home and schools where there are expenses, it will also help put food on the table. As a matter of fact, many of the fallen soldiers were the sole or significant breadwinner for the families, and the families are left without any immediate source of income. It is doubly for members of the Guard and Reserve. APPROXIMATELY A quarter to a third of those who serve in the Guard and Reserve actually take a pay cut when they are called up or activated to serve. While it is a source of income that may be less than they were receiving in the private sector, it is still a significant, substantial part of that family household’s income. So when a soldier loses his or her life, even if it is a lower amount, the money stops. That is why it is imperative that we in Congress raise the death gratuity to a level that will take care of the immediate financial needs of these families.

I have been questioned or critics may argue that raising the death gratuity to $100,000 is too costly. I contend that if you look at firefighters and police officers, these great citizens of our communities who are our warriors at home, saving lives from fires or law enforcement actions, they generally get a death gratuity in the amount of $50,000 to $100,000. In our Commonwealth of Virginia, a police officer or firefighter who loses his or her life in the line of duty receives a $75,000 death gratuity. My proposal is to put some logical symmetry between what our warriors on the homefront—the police officers and firefighters—get and what our soldiers stationed at home and abroad get.

In addition, as long as we have an all-volunteer Army, we need to make sure our soldiers know and their families know they have the best possible benefits should the unthinkable happen. I believe this legislation will help put some of those worries at ease. Whatever the amount may be, I guarantee to each of my colleagues that any family would rather have their loved one there at holidays and birthdays and anniversaries than the $100,000, but there is also a financial hole in their lives. There is also one that cannot be compensated. But it is one that a grateful Nation would want to provide.

I will close by quoting George Washington, who was one of our greatest leaders, when he made a very wise and still cogent observation.

He cautioned that the willingness of future generations to fight for their country, no matter how just the cause, will be proportional to how they perceive previous veterans were treated.

It is important that we show a deeper appreciation for those heroic soldiers who died defending our liberty and also their brave families back home who have paid the ultimate sacrifice as well. This legislation is a significant stepping stone in that direction.

I urge my colleagues in the Senate to quickly act on this legislation and all others trying to help our families of fallen heroes and their loved ones and put these measures quickly as possible, and also make them retroactive for all of those nearly 1,500 who have lost their lives protecting our freedom, advancing liberty throughout the world, and people who are truly American heroes whom we will always remember.

By Mr. HAGEL (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. DEWINE, and Mr. OBAMA)

S. 42: A bill to provide certain enhancements to the Montgomery GI Bill Program for certain individuals who serve as members of the Armed Forces.
after the September 11, 2001, terrorist attacks, and for other purposes; to the Committee on Armed Services.

Mr. HAGEL. Mr. President, I rise today to re-introduce the "Military Death Benefit Improvement Act of 2005," which builds on the Montgomery G.I. Bill of 2005. These pieces of legislation recognize the service and sacrifice of the men and women of our armed forces who are proudly and bravely serving our country around the world. These bills also recognize the sacrifices borne by the loved ones of our men and women in uniform.

The "Military Death Benefit Improvement Act of 2005" would raise the military death gratuity paid to the families of military personnel killed while on active duty from $12,000 to $100,000. This increase would also be applied retroactively to all service members on active duty who have died since September 11, 2001.

The military death gratuity is money provided within 72 hours to families of service members who are killed while on active duty. These funds assist next-of-kin with their immediate financial needs.

Though nothing can replace the hole left in a family by the loss of a son, daughter, mother or father, this bill will help alleviate some of the financial hardships faced by the families of our brave service men and women who give their lives in service to our country. It will send a message to our young men and women and their families that their Nation appreciates their service and sacrifice.

As we face the challenges of the 21st Century, service men and women sacrificing for their country in a time of war should be assured that their families will be taken care of. The loss of a loved one is a tremendous emotional hardship for families. Congress must do what it can to ensure that it does not cause devastating financial hardship as well.

I also rise today to re-introduce the "G.I. Bill Enhancement Act of 2005." This legislation would waive the Montgomery G.I. Bill program's $1,200 enrollment fee for active duty members of our Nation's military.

The G.I. Bill Enhancement Act covers any member of the United States military, including Reserve and National Guard members, serving on active duty, and those who were ordered to be printed in the Congressional Record—Senate. The current Montgomery G.I. Bill is tailored to serve members of our military in a time of peace. Upon enlistment, recruits are given the option of enrolling in the G.I. Bill. If they choose to participate, they are charged a $1,200 enrollment fee which is deducted from their monthly pay over 12 months. However, we are now in a time of war and it is unfair and burdensome that the enrollment fee and the associated costs of the Montgomery G.I. Bill have been transformed and increased. To that end, changes must be made to the G.I. Bill to ensure that it continues to provide realistic and relevant educational opportunities to those who are defending our country.

This is an issue of fundamental fairness. The men and women serving our country in wartime should not have to choose between the long-term benefits of the G.I. Bill and the short-term demands of their paycheck. The G.I. Bill is one of the great legacies of military service to our country. Men and women sacrificing for their country in a time of war need to be assured that access to higher education is in their future. Congress must do all it can to ensure that education options for our veterans are accessible and real.

The G.I. Bill has long been recognized as one of the most important Congressional acts of post World War II America. This legislation ensured that all who served our Nation would not be penalized as a result of their time away from their careers and communities in service to their country. The G.I. Bill helped members of our "greatest generation" upon their return home by providing them with the educational tools necessary for the opportunities enjoyed by all Americans.

Over the last 60 years, the Federal Government has invested billions of dollars in education benefits for our Nation's veterans. Over 21 million men and women have benefitted from the G.I. Bill, resulting in a workforce that transformed American society. The bill's far-reaching impact can be seen here today, as Members of this body, including me, have prospered as a result of the benefits of the G.I. Bill.

Every American should be proud of how we have responded to the challenges of September 11, 2001. We owe much to the men and women who have fought bravely in Afghanistan and Iraq. The "Military Death Benefit Improvement Act of 2005" and the "G.I. Bill Enhancement Act" recognize these sacrifices. I hope that my Senate colleagues will give serious consideration to these important pieces of legislation, and that we will pass these bills and they will be signed into law by President Bush. I ask unanimous consent that the text of these two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

SEC. 2. EXEMPTION FROM PAYMENT OF INDIVIDUAL CONTRIBUTIONS UNDER MONTGOMERY GI BILL. (a) Active Duty Program.—Notwithstanding section 301(b) of title 38, United States Code, no reduction in basic pay otherwise required by such section shall be made in the case of a covered member of the Armed Forces.

(b) Selected Reserve Program.—Notwithstanding section 301(c) of title 38, United States Code, no reduction in basic pay otherwise required by such section shall be made in the case of a covered member of the Armed Forces.

(c) TERMINATION OF PAYMENTS IN BASIC PAY.—In the case of a covered member of the Armed Forces who first became a member of the Armed Forces on or before the date of the enactment of this Act and whose basic pay would, but for this section, be reduced because of payment of such covered member of the Armed Forces an amount equal to the aggregate amount of payments of basic pay of such covered member of the Armed Forces under subsection 301(b) or 301(c), as applicable, shall cease commencing with the first month beginning on or after that date.

SEC. 3. OPPORTUNITY FOR INDIVIDUALS WHO SERVE AS ACTIVE DUTY MEMBERS OF THE ARMED FORCES UNDER EXECUTIVE ORDER 13235 TO WITHDRAW ELECTED OR APPOINTED ENROLL IN MONTGOMERY GI BILL. Section 3018 of title 38, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsection (d) and (e), respectively;
By Mr. Levin (for himself, Mr. Hatch, and Mr. Biden): S. 45. A bill to amend the Controlled Substances Act to lift the patient limitation on prescribing drug addiction treatments by medical practitioners in group practices, and for other purposes;

SEC. 2. INCREASE IN DEATH GRATUITY PAYABLE

Section 1. Short Title. (a) Amount of Death Gratuity. — Section 178(a) of title 10, United States Code, is amended by striking "$12,000" and inserting "$100,000".

(b) Effective Date. — The amendment made by subsection (a) shall apply with respect to deaths occurring on or after November 16, 2001, the date of Executive Order 13235, relating to National Emergency Construction Authority; and

(c) Funding.—(1) Source of Funds.—Amounts for the payment during fiscal year 2005 of death gratuities described in subsection (a) shall be derived from amounts made available for the fiscal year in an Act making emergency supplemental appropriations for defense and for the reconstruction of Iraq.

(2) Secretory Concerned Defined.—In this subsection, Secretory concerned means the meaning given such term in section 101(a)(9) of title 10, United States Code.

S. 44. A bill to amend title 10, United States Code, to increase the amount of the military death gratuity from $12,000 to $100,000; to the Committee on Armed Services.

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

SEC. 1. SHORT TITLE. This Act may be cited as the “Military Death Benefit Improvement Act of 2005”.

SEC. 2. INCREASE IN DEATH GRATUITY PAYABLE WITH RESPECT TO MEMBERS OF THE ARMED FORCES.

(a) Amount of Death Gratuity.—Section 178(a) of title 10, United States Code, is amended by striking "$12,000" and inserting "$100,000".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to deaths occurring on or after November 16, 2001, the date of Executive Order 13235, relating to National Emergency Construction Authority.

(c) Funding.—(1) Source of Funds.—Amounts for the payment during fiscal year 2005 of death gratuities described in subsection (a) shall be derived from amounts made available for the fiscal year in an Act making emergency supplemental appropriations for defense and for the reconstruction of Iraq.

(2) Secretory Concerned Defined.—In this subsection, Secretory concerned means the meaning given such term in section 101(a)(9) of title 10, United States Code.

By Mr. HAGEL (for himself, Mr. DeWine, Mrs. Clinton, Mr. Lautenberg, and Mr. Salazar):
across the state. People are begging, desper- ate to get treated, who we can’t treat.” The Federal Substance Abuse and Mental Health Services Administration has begun an initiative to increase the supply of treatment cap. But because any proposed change would be subject to the public-review process, approval could take as long as two years, said Nick Tiggges, senior public health analyst with the agency.

Tiggges says his addiction began after he wrestled his back and bummmed a few Percocet pills, a prescription analgesic, from a friend to dull the pain. Before he knew it, he was hooked on opiates, alternating between OxyContin and shooting up heroin in front of his kids.

In October, Tiggges, a 27-year-old East Bos- ton carpet installer, began taking buprenorphine, placing an orange pill the size of a dime under his tongue until it di- solves, four times daily. He hasn’t touched an illegal drug since the day he started the program, has put on 80 pounds from lifting weights at the gym, and has yet to miss a day of work. For the first time in three years, Tiggges hopes to see his 5-year-old daughter, whose mother has refused to let him visit.

“I’ve had clean urines, 100 percent, for nine months now. There’s nothing I’m prouder of than that,” he says, choking back emotion. “What I read on the front page of the paper every day is 18- and 20-year-old kids dying of street and give them this stuff. You watch the child rate go down.”

Mr. President, I ask unanimous con- sent that the text of the legislation be included at the end of my remarks. There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 45
Be it enacted by the Senate and House of Representa- tives of the United States of America in Congress assembled.

SECTION 1. MAINTENANCE OR DETOXIFICATION TREATMENT WITH CERTAIN NARCOTIC DRUGS: ELIMINATION OF 30-PATIENT LIMIT FOR GROUP PRACTICES.

(a) In General.—Section 333(g)(2)(B) of the Controlled Substance Act (21 U.S.C. 823(g)(2)(B)) is amended by striking clause (iv) of subsection (g).

(b) Conforming Amendment.—Section 333(g)(2)(B) of the Controlled Substance Act (21 U.S.C. 823(g)(2)(B)) is amended in clause (ii) by striking “in any case” and all that follows through “the total” and inserting “The total.”

(c) Effective Date.—This section shall take effect on the date of enactment of this Act.

By Mr. LEVIN (for himself and Mr. LUFRAG):

S. 46. A bill to authorize the exten- sion of unconditional and permanent nondiscriminatory treatment (permanent normal trade relations treatment) to the Ukraine, and for other purposes; to the Committee on Finance.

Mr. LEVIN. Mr. President, today I introduce with my colleague, Senator LUFRAG, a bill to grant normal trade treatment to the products of Ukraine. My colleague, Senator KENNEDY, and other members are intro- ducing a similar bill in the House. It is our hope that enactment of this legis- lation will help to build stronger eco- nomic ties between the United States and Ukraine.

The Cold War era Jackson-Vanik trade restrictions that deny most fa- vored nation trade status to imports from former Soviet-bloc countries are out of date and, when applied to Ukraine, inappropriate. Those restrictions were established as a tool to pressure Com- munist nations to allow their people to freely emigrate in exchange for favor- able trade treatment by the United States.

Ukraine does allow its citizens the right and opportunity to emigrate. It has met the Jackson-Vanik test. In fact, Ukraine has been found to be in full compliance with the freedom of emigration requirements under the Jackson-Vanik law. Ukraine has been certified as meeting the Jackson-Vanik requirements on an annual basis since 1992 when a bilateral trade agreement went into effect.

It is time the United States recog- nizes this reality by eliminating the Jackson-Vanik restrictions and grant- ing Ukraine normal trading status on a permanent basis. Our bill does as well as addressing traditional Jackson- Vanik provisions, such as making progress toward World Trade Organization (WTO), accession and tariff and excise tax re- ductions.

Since reestablishing independence in 1991, Ukraine has taken important steps toward the creation of demo- cratic institutions and a free-market economy. As a member state of the Or- ganization for Security and Coopera- tion in Europe (OSCE), Ukraine is com- mitted to developing a system of gov- ernance in accordance with the prin- ciples regarding human rights that are set forth in the Final Act of the Con- ference on Security and Cooperation in Europe, the Helsinki Final Act.

On December 26, 2004, Ukraine took another historic step in its pursuit of democracy with the legitimate election of its new President Viktor Yuschenko. This election showed the world that Ukraine has joined the family of demo- cracies. The United States can help advance this young democracy by re- pealing our Cold War-era laws that should no longer apply to them and welcoming them to the international economic community as a full partner. This bill will accomplish these goals.

In addition to welcoming the Ukrain- ian government to the family of democ- racies, we must also take a mo- ment to honor the Ukrainian people for their commitment to democratic insti- tutions in civil society through peace- ful demonstrations. Free and fair elec- tions are the result of the courage and hard work of the Ukrainian people. Without their persist- ent Ukraine was in danger of moving forward with an illegitimately elected president.

By drawing Ukraine into normal trade relations, the international com- munity will be helping Ukraine to achieve greater market reform and continue its commitment to safe- guarding religious liberty and enforc- ing laws to combat discrimination. PNTR status will hopefully do more than increase bilateral trade between the United States and Ukraine and en- courage increased international invest- ment in Ukraine. Hopefully it will also encourage the reform process in Ukraine and the Ukrainian people deserve on their way to achieving a more mature and stable democracy.

It’s time we recognize Ukraine’s ac- complishments and status as an emerg- ing democracy and market economy by lifting the Jackson-Vanik restrictions. I hope my colleagues will support this important bill.

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. 46
Be it enacted by the Senate and House of Representa- tives of the United States of America in Congress assembled.

SECTION 1. FINDINGS.

Congress finds that—

(1) Ukraine allows its citizens the right and opportunity to emigrate, free of anything more than a nominal tax on emigra- tion or on the visas or other documents re- quired for emigration and free of any tax, levy, fine, fee, or other charge on any citi- zens as a consequence of the desire of such citizens to emigrate to the country of their choice;

(2) Ukraine has been found to be in full compliance with the freedom of emigration requirements under title IV of the Trade Act of 1974 since 1997;

(3) since reestablishing independence in 1991, Ukraine has taken important steps toward the creation of democratic institutions and a free-market economy and, as a partici- pating state of the Organization for Security and Cooperation in Europe (OSCE), is com- mitted to developing a system of governance in accordance with the principles regarding human rights and humanitarian affairs that are set forth in the Final Act of the Con- ference on Security and Cooperation in Eu- rope (also known as the “Helsinki Final Act”) and successive documents;

(4) the people of Ukraine have earned praise for demonstrating a deep commitment to demo- cracy and through peaceful civil action demanding a process that achieved a fair election in Ukraine’s most recent Presi- dential runoff;

(5) Ukraine has made progress toward meeting international commitments and standards, including in the implemen- tation of Ukraine’s new elections laws;

(6) as a participating state of the Organiza- tion for Security and Co-operation in Europe (OSCE), Ukraine is committed to addressing issues relating to its national and religious minorities and to adopting measures to en- sure that persons belonging to national mi- norities have full equality both individually and communally;
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(7) Ukraine has enacted legislation providing protection against incitement to violence against persons or groups based on national, racial, ethnic, or religious discrimination and persecution, and has committed itself, including through a letter to the President of the United States, to ensuring freedom of religion and combating racial and ethnic intolerance and hatred.

(8) Ukraine has engaged in efforts to combat ethnic and religious intolerance by cooperating with various United States non-governmental organizations.

(9) Ukraine is continuing the restitution of religious properties, including religious and communal properties of national and religious minorities during the Soviet era, is facilitating the revival of those minority groups, and remains committed to dismantling former forms of discrimination.

(10) Ukraine has committed itself to respecting and enforcing existing Ukrainian laws at the national and local levels to combat ethnic, religious, and racial discrimination and violence.

(11) Ukraine has enacted legislation protecting religious liberty, including implementation of newly adopted election laws, to ensure free and fair elections.

(12) Ukraine has enacted protections reflecting internationally recognized labor rights.

(13) As a participating state of the OSCE, Ukraine has appointed a special representative, demonstrating its commitment to combating human trafficking.

(14) Ukraine has stated its desire to pursue membership in the European Union and to join the World Trade Organization.

(15) Ukraine has participated with the United States in its peacekeeping operations.

(16) Ukraine has committed itself to meeting its commitments as a participating state of the OSCE, including by prohibiting physical harm to and intimidation of journalists; providing protection against incitement to violence; strengthening anti-terrorism laws; and ensuring the right to freedom of association for members of religious minorities and other non-state minorities.

SEC. 2. TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO UKRAINE.

(a) Presidential Determinations and Extension of Unconditional and Permanent Non-Market Treatment.—Except as provided in subsection (b) of this section, in the absence of notification of annexation of Ukraine under section 154(b) of the Trade Act of 1974 (19 U.S.C. 2174(b)), the President shall determine, with respect to the trade relations of the United States with Ukraine, that the trade relations of those countries are treated “as if the trade relations of a country were those of a country whose trade relations are of a type to which the President determines that country is entitled” for purposes of section 1310(b) of the Trade Act of 1974 (19 U.S.C. 2461(b)).

(b) Application of Title IV.—On and after the effective date of the extension under subsection (a)(2) of non-market treatment to the products of Ukraine, chapter 1 of title IV of the Trade Act of 1974 shall cease to apply to those products.
pressure and mediation, Ukraine repeated the runoff election on December 26. A newly named Central Election Commission and a new set of election laws led to a much-improved process. International monitors concluded that the process was generally free and fair. This process was followed by Viktor Yuschenko's inauguration as President of Ukraine.

Extraordinary events have occurred in Ukraine over the last three months. A free press has revolted against government intimidation and reasserted itself. An emerging middle class has found its political footing. A new generation has embraced democracy and openness. A society has rebelled against the illegal activities of its government. It is in our interest to recognize and protect these advances in Ukraine.

The United States has a long record of cooperation with Ukraine through the Nunn-Lugar Cooperative Threat Reduction Program. Ukraine inherited the third largest nuclear arsenal in the world with the fall of the Soviet Union. Through the Nunn-Lugar program the United States has assisted Ukraine in eliminating this deadly arsenal and joining the Nonproliferation Treaty as a non-nuclear State.

One of the areas where we can deepen United States-Ukrainian relations is bilateral trade. Our trade relations between the United States and Ukraine are currently governed by a bilateral trade agreement signed in 1992. There are other economic agreements in place seeking to further facilitate economic cooperation between the United States and Ukraine, including a bilateral investment treaty which was signed in 1996, and a taxation treaty signed in 2000. In addition, Ukraine commenced negotiations to become a member of the World Trade Organization in 1993, further demonstrating its commitment to adhere to free market principles and fair trade. In light of this adherence to freedom of emigration requirements, democratic principles, compliance with threat reduction and several agreements on economic cooperation, the products of Ukraine should not be subject to the sanctions of Jackson-Vanik.

There are areas in which Ukraine needs to continue to improve. These include market access, protection of intellectual property and reduction of tariffs. The U.S. must remain committed to assisting Ukraine in pursuing market economic reforms. The permanent waiver of Jackson-Vanik and establishment of permanent normal trade relations will be the foundation on which further progress in a bourgeois market economic partnership can be made.

I am hopeful that my colleagues will review this legislation and join Senator Levin and I in supporting this important legislation.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 47. A bill to provide for the exchange of certain Federal land in the Santa Fe National Forest and certain non-Federal land in the Pecos National Historical Park in the State of New Mexico; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, today, I am introducing along with Mr. DOMENICI the “Pecos National Historical Park Land Exchange Act of 2005”. This bill will authorize a land exchange between the Federal government and a private landowner that will benefit the Pecos National Historical Park in my State of New Mexico.

Specifically, the bill will enable the Park Service to acquire a private holding within the Park’s boundaries in exchange for the transfer of a nearby tract of National Forest System land. The National Forest parcel has been identified as available for exchange in the Santa Fe National Forest Land and Resource Management Plan and is surrounded by private lands on three sides.

The Pecos National Historical Park possesses exceptional historic and archaeological resources. The Park preserves the ruins of the great Pecos pueblo, which was a major trade center, and the ruins of two Spanish colonial missions dating from the 17th and 18th centuries.

The Glorieta Unit of the Park protects key sites associated with the 1862 Civil War Battle of Glorieta Pass, a significant event that ended the Confederate attempt to expand the war into the West. This Unit will directly benefit from the land exchange.

Similar bills passed the Senate in both the 106th and the 108th Congresses, and I hope it finally will be enacted this Congress.

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:

SEC. 1. SHORT TITLE.

This Act may be cited as the “Pecos National Historical Park Land Exchange Act of 2005”.

SEC. 2. DEFINITIONS.

In this Act:

(1) FEDERAL LAND.—The term “Federal land” means the approximately 180 acres of Federal land within the Santa Fe National Forest in the State of New Mexico, as depicted on the map.

(2) LANDOWNER.—The term “landowner” means the 1 or more owners of the non-Federal land.


(4) NON-FEDERAL LAND.—The term “non-Federal land” means the approximately 154 acres of non-Federal land in the Park, as depicted on the map.

(5) PARK.—The term “Park” means the Pecos National Historical Park in the State.

(6) SECRETARIES.—The term “Secretaries” means the Secretary of the Interior and the Secretary of Agriculture, acting jointly.

(7) STATE.—The term “State” means the State of New Mexico.

SEC. 3. LAND EXCHANGE.

(a) IN GENERAL.—On conveyance to the landowner of the non-Federal land, title to which is acceptable to the Secretary of the Interior—

(1) the Secretary of Agriculture shall, subject to the conditions of this Act, convey to the landowner the Federal land; and

(2) the Secretary of the Interior shall, subject to the conditions of this Act, grant to the landowner the easement described in subsection (b).

(b) EASEMENT.—

(1) IN GENERAL.—The easement referred to in subsection (a)(2) is an easement (including an easement for service access) for water pipelines to 2 well sites located in the Park, as generally depicted on the map.

(2) ROUTE.—The Secretary of the Interior, in consultation with the landowner, shall determine the appropriate route of the easement through the Park.

(3) TERMS AND CONDITIONS.—The easement shall include such terms and conditions relating to the use of, and access to, the well sites and pipeline, as the Secretary of the Interior, in consultation with the landowner, determines to be appropriate.

(4) APPLICABLE LAW.—The easement shall be established, operated, and maintained in compliance with applicable Federal law.

(c) VALUATION, APPRAISALS, AND EQUALIZATION.

(1) IN GENERAL.—The value of the Federal land and non-Federal land—

(A) shall be equal, as determined by appraisals conducted in accordance with paragraph (2); or

(B) if the value is not equal, shall be equalized in accordance with paragraph (3).

(2) APPRAISALS.—

(A) IN GENERAL.—The Federal land and non-Federal land shall be appraised by an independent appraiser selected by the Secretaries.

(B) REQUIREMENTS.—An appraisal conducted under subparagraph (A) shall be conducted in accordance with—

(i) the Uniform Standards of Professional Appraisal Practice;

(ii) the Uniform Standards of Professional Appraisal Practice.

(C) APPROVAL.—The appraisals conducted under this paragraph shall be submitted to the Secretaries for approval.

(3) EQUALIZATION OF VALUES.—

(A) IN GENERAL.—If the values of the non-Federal land and the Federal land are not equal, the values may be equalized by—

(i) the Secretary of the Interior making a cash equalization payment to the landowner; or

(ii) the Secretary of Agriculture making a cash equalization payment to the Secretary of Agriculture; or

(iii) reducing the acreage of the non-Federal land or the Federal land, as appropriate.

(B) CASH EQUALIZATION PAYMENTS.—Any amounts received by the Secretary of Agriculture as a cash equalization payment under section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)) shall—

(i) be deposited in the fund established by Public Law 90–171 (commonly known as the “Sisk Act”) (16 U.S.C. 484a); and

(ii) be available for expenditure, without further appropriation, for the acquisition of land and interests in land in the State.

(d) COSTS.—Before the completion of the exchange under this section, the Secretaries...
and the landowner shall enter into an agreement that allocates the costs of the exchange among the Secretaries and the landowner.

(e) APPLICABLE LAW.—Except as otherwise provided in this Act, the exchange of land and interests in land under this Act shall be accomplished in accordance with:

(1) section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716); and

(2) other applicable laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretaries may require, in addition to any requirements under this Act, such terms and conditions relating to the exchange of land and non-Federal land and the granting of interests under this Act as the Secretaries determine to be appropriate to protect the interests of the United States.

(g) COMPLETION OF THE EXCHANGE.

(1) IN GENERAL.—The exchange of Federal land and non-Federal land shall be completed not later than 180 days after the later of—

(A) the date on which the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) have been met; or

(B) the date in which the Secretary of the Interior approves the appraisals under subsection (c)(2)(C); or

(C) the date on which the Secretaries and the landowner agree on the costs of the exchange and any other terms and conditions of the exchange under this section.

(2) NOTICE.—The Secretaries shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives notice of the completion of the exchange of Federal land and non-Federal land under this Act.

SEC. 4. ADMINISTRATION.

(a) IN GENERAL.—The Secretary of the Interior shall administer the non-Federal land acquired under this Act in accordance with the laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (commonly known as the “National Park Service Organic Act”) (16 U.S.C. 1 et seq.).

(b) MAPS.

(1) IN GENERAL.—The map shall be on file and available for public inspection in the appropriate offices of the Secretaries.

(2) TRANSMITTAL OF REVISED MAP TO CONGRESS.—Not later than 180 days after completion of the exchange, the Secretaries shall transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a revised map that depicts—

(A) the Federal land and non-Federal land exchanged under this Act; and

(B) the easement described in section 3(b).

By Mr. LAUTENBERG (for himself and Mr. CORZINE):

S. 48. A bill to reauthorize appropriations for the New Jersey Coastal Heritage Trail Route, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. LAUTENBERG. Mr. President, I rise today to speak about a bill that Senator CORZINE and I are introducing, the New Jersey Coastal Heritage Trail Route bill. Our bill would reauthorize a law based on a bill that former Senator Bill Bradley and I first introduced in 1988. The law was extended once but its authorization has now expired, bringing work on the Trail to a complete standstill.

This bill would reauthorize federal appropriations for New Jersey’s Coastal Heritage Trail. This authority would sunset in 2009, allowing enough time for unfinished trail projects to be completed.

The 300-mile Trail is divided into five sections that extend south from Perth Amboy to Cape May and west to Deepwater. New Jersey’s Coastal Heritage Trail is unique. It is neither a National Heritage Area, nor a National Trail.

Collaboration on this Trail marked the National Park Service’s first attempt at protecting a significant resource without actually acquiring it. This experiment has been a resounding success.

The State of New Jersey is heavily developed, and the National Park Service, the State, and many other public and private organizations have worked hard to preserve the natural and cultural heritage along the Trail.

This experiment has also been a bargain. Between 1988 and 2004, the Park Service spent 3.9 million dollars on Trail projects, while non-federal sources contributed $4 million dollars in matching funds. These funds represent an important investment in New Jersey’s economy. Last year, 65 million visitors came to New Jersey, and the majority of those visitors went to the shore where many spent time on sections of the Coastal Heritage Trail.

In the past, Federal funds have contributed to signs and exhibits along the Trail which entice tourists and local New Jerseyans to explore our maritime history, coastal habitats, and wildlife migration.

Most people think that New Jersey is a crowded, highly industrialized State. That is true. But New Jersey also contains incredible beauty, such as a Bald Eagle silhouetted against a Delaware Bay sunset; a lone fishing boat making its way through Barnegat Inlet at dawn; or a scenic stream flowing slowly through the Pine Barrens.

Such sights can be enjoyed in New Jersey, and the Coastal Heritage Trail invites New Jerseyans and our many visitors to enjoy these splendors.

Mr. President, in the House, Congressman LOBONDO is sponsoring a companion bill to this legislation, so I introduce S. 49, the Alaska Floodplain and Erosion Mitigation Commission Act.

Mr. STEVENS. Mr. President, on behalf of myself and Senator MURkowski, I introduce S. 49, the Alaska Floodplain and Erosion Mitigation Commission Act.

For the last several years, we have seen coastal river flooding and erosion destroy homes, public buildings, and runways, threatening the traditional lifestyle of our Alaska Native people and rural residents. Over 100 feet of land can be lost in a single storm, with homes and buildings literally being washed into the ocean.

Last year, the Federal Emergency Management Agency was called in after one storm and assessed millions of dollars in damages.

In Alaska, there are over 213 communities that have been identified as being affected by erosion, 4 of which are in imminent danger and will be forced to relocate.

Given the devastating impacts of erosion on Alaska Native villages, I held a full 2-day Appropriations field hearing in July of 2004. Senator CONRAD BURNS of Montana, Senator JOHN SUNUNU of New Hampshire, and Senator LISA MURKOWSKI were all in attendance.

These hearings examined the findings and recommendations from the Government Accounting Office, GAO, report on the severe flooding and erosion problems faced in many Native Alaska villages. Congress had previously directed GAO to study flooding and erosion of Alaska Native villages and to determine the extent to which these villages are affected, identify Federal and State flooding and erosion programs, determine the current status of...
efforts to respond to flooding and erosion in nine villages, and identify alternatives that Congress may wish to consider when providing assistance for flooding and erosion.

This bill is a culmination of the GAO report and the field hearings I have mentioned. I shall focus the efforts of the Federal agencies and the State of Alaska to better serve the impacted Native villages and rural residents. This bill is intended to provide relief for these communities. It is going to be a very difficult problem to solve.

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. 49
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 “Alaska Floodplain and Erosion Mitigation Commission Act of 2005.”
(b) TABLE OF CONTENTS.—The table of contents for this Act follows:

SEC. 1. SHORT TITLE; TABLE OF CONTENTS.

SEC. 101. ESTABLISHMENT OF COMMISSION.
(a) ESTABLISHMENT.—There is established a commission to be known as the “Joint Federal-State Floodplain and Erosion Mitigation Commission for Alaska” established by section 101(a).

(b) MEMBERSHIP.—The Commission shall consist of 3 members, of whom:

(1) 1 member shall be the Governor of the State, who shall serve as Cochairperson;

(2) 3 members shall be appointed by the Governor of the State, of whom—

(A) 1 member shall be a nonvoting ex officio Alaska Native; and

(B) 3 members shall be appointed by the Governor of the State, of whom—

(i) 1 member shall be a nonvoting ex officio Alaska Native; and

(ii) the Corps of Engineers;

(3) no more than 1 member shall represent city or borough governments;

(C) 1 shall be appointed by the Secretary, shall be an employee of the Department of the Interior, and shall serve as Cochairperson;

(D) 1 member appointed by the Secretary of Agriculture shall be an employee of the Natural Resources Conservation Service of the Department of Agriculture; and

(E) 1 member, appointed by the Secretary of Defense, shall be an employee of—

(i) the Department of the Interior; or

(ii) the Corps of Engineers.

(2) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be at the pleasure of the appointing authority.

(3) VACANCIES.—A vacancy on the Commission shall be filled by the Governor of the State, of whom

(A) shall not affect the powers of the Commission; and

(B) shall be filled in the same manner as the original appointment.

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

(e) MEETINGS.—Subject to section 102(a), the Commission shall meet at the call of the Cochairpersons.

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

(g) CONCURRENCE OF COCHAIRPERSONS.—A decision of the Commission shall require the concurrence of the Cochairpersons.

(h) PRINCIPAL OFFICE.—The principal office of the Commission shall be in the State of Alaska.

SEC. 102. DUTIES.
(a) MEETINGS.—For the first 2 years following the date of enactment of this Act, the Commission shall meet not less than 2 times per year.

(b) RECORDS.

(c) ADVISORS.—To assist the Commission in carrying out this Act, the Cochairpersons shall establish a committee of technical advisers to the Commission with expertise in—

(1) coastal engineering;

(2) the adverse impact of flood and erosion management;

(3) rural community planning in the State;

(4) how city and borough governments are affected by erosion;

(5) the relationship between State and local governments and Alaska Native villages; and

(6) any other interest that the Commission determines is appropriate.

(b) RECORDS.—The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers necessary to carry out this title.

(d) INFORMATION FROM FEDERAL AGENCIES.—

Title I—Joint Federal-State Floodplain and Erosion Mitigation Commission for Alaska

SEC. 101. ESTABLISHMENT OF COMMISSION.
(a) ESTABLISHMENT.—There is established a commission to be known as the “Joint Federal-State Floodplain and Erosion Mitigation Commission for Alaska.”

(b) MEMBERSHIP.—The Commission shall be comprised of 3 members, of whom:

(A) 1 member shall be the Governor of the State, who shall serve as Cochairperson;
§ 104. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) IN GENERAL.—The Cochairpersons of the Commission may accept, use, and dispose of gifts or donations of services or property to carry out the duties of the Commission.

(2) GIFT S. —The Commission may accept gifts or donations of services or property to carry out the duties of the Commission.

(b) TRAVEL EXPENSES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(c) GIFTS.—A member of the Commission may accept, use, and dispose of gifts or donations of services or property to carry out the duties of the Commission.

(d) FEDERAL OR STATE EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal or State Government.

(e) LOCAL OFFICIALS AND EMPLOYEES.—A member of the Commission who is an officer or employee of a State or local government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the State or local government.

(f) SPENDTHrift.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency of the United States Government.

(g) DETAILS.—The details of a member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency of the United States Government.

(h) FEDERAL PERSONNEL.—A member of the Commission who is an employee of the Federal Government shall be paid travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of the Federal Government.

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(Amendment of 1993 Title—See CLS. 101. COMMISSION PERSONNEL MATTERS.

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(z) EMPLOYEE.—A member of the Commission who is an employee of the Federal Government shall be paid travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of the Federal Government.
The people of Alaska and Hawaii have long memories of the threat of tsunami. Perhaps it is because Hawaii sits in a position of terrible vulnerability in the Pacific Ocean, which is the site of 85 percent of the world’s tsunami activity, and because Alaska, perched on the northern edge of the Pacific’s Ring of Fire, suffers frequent tsunami-generating earthquakes.

In order to protect local communities, Alaska followed suit by establishing an observatory in Palmer, Alaska, in 1967. Collaborations between the two centers and other partners led to a nascent capacity for predicting and warning coastal communities about potential tsunami in Alaska and Hawaii and beyond.

As we came to understand the broader threat that tsunami posed, Ted Stevens and I worked together to pass legislation in 1994 to direct the National Oceanic and Atmospheric Administration (NOAA) to develop a Tsunami Hazard Mitigation Program. We are pleased to report that the program has laid the foundation for tsunami preparedness. Through its Pacific Marine Environmental Laboratory (PMEL), NOAA has developed deep ocean assessment and reporting of tsunami—so-called “DART” buoys, which accurately measure the subtle variations in sea level produced by tsunami traveling over open water. With these measurements, as well as readings from coastal gauges, the mathematical models PMEL and others have developed can forecast tsunami direction, speed, and inundation with astonishing accuracy. Although the worldwide network of seismic sensors operated by the U.S. Geological Survey (USGS) provides excellent notice of earthquakes with the potential to generate tsunami, the DART buoys represent a next-generation approach to detection and forecasting of tsunami that will form the backbone of our domestic preparedness.

Interpreting these data and issuing warnings are Hawaii’s Pacific Tsunami Warning Center, and Alaska’s West Coast/Alaska Tsunami Warning Center, which jointly have the capacity to cover our domestic shores, and, at the same time, to reach out to all cooperating nations of the world.

Forecasting and warning networks, however, depend on ears who know how to respond, and so the Tsunami Hazard Mitigation Program has partnered with state authorities to produce inundation mapping, develop evacuation routes, and conduct tsunami education. As a result of much hard work, fourteen counties up and down the west coast, and in Alaska and Hawaii have become national and world leaders by becoming “tsunami ready.”

The appalling scope of the Indian Ocean tragedy illustrates the importance and necessity of our work of the past ten years, and with stark clarity, we can see that despite our best efforts, much remains to be done. Now, as before, Senator Stevens and I have come together to lead the charge toward national and international tsunami preparedness.

Our legislation today formally authorizes NOAA to establish, operate, and maintain a dependable national tsunami warning system that would provide maximum tsunami detection capability for the nation. The system would build on the model established in the Pacific, and provide for its repair, expansion, and modernization by the close of calendar year 2007. The system would include four components: an expanded and upgraded detection and warning system, a federal-state tsunami hazard mitigation program, a tsunami research program, and a modernization and upgrade program. In addition, the bill would require NOAA to provide systems technical assistance and other assistance to international efforts to establish regional systems in other parts of the world, including the Indian Ocean.

The detection and warning system established by the bill would cover the Pacific Ocean region, as well as the Atlantic-Caribbean-Gulf of Mexico region, and incorporate a variety of seismic and tsunami detection technologies, including deep ocean buoys, as well as encompassing tsunami warning centers charged with collecting and analyzing the data and distributing warnings—including the existing Pacific Tsunami Warning Center in Hawaii and the West Coast/Alaska Tsunami Warning Center in Alaska, as well as any others deemed necessary by the NOAA Administrator.

The bill also formally authorizes NOAA’s Tsunami Hazard Mitigation Program and its community-based tsunami hazard mitigation program to improve tsunami preparedness at-risk areas. The bill directs a Federal-State coordinating committee for the program, consisting (FEMA), the United States Geological Survey (USGS), the National Science Foundation (NSF), and affected coastal states and territories, to work together to improve inundation mapping, community outreach and education, and promote and integrate tsunami warning and mitigation on mobile communication and recovery guidelines. The program would provide grants to states to ensure the program elements are implemented in coastal communities.

The bill also requires NOAA to establish, along with other agencies and academic institutions, a tsunami research program to continuously improve detection, prediction, communication, and mitigation science and technology to support tsunami forecasts and warnings. This program would also focus on the development of communications systems for tsunami and other hazard warnings, including telephones, wireless and satellite technology, the Internet, television and radio, and any innovative combination of these technologies.

A critical component of the bill requires NOAA to upgrade and modernize the U.S. tsunami detection system by December 2007, as well as provide accountability for the long-term operation of the system. NOAA is required to repair and upgrade the system, ensuring deployment of existing deep ocean detection buoys and related detection equipment, as well as notify Congress upon any equipment or system failures that will impair regional detection, and of significant contractor failures or delays. In addition, the bill calls for the National Academy of Sciences to review the system for further modernization recommendations.

The bill recognizes the need for global coordination on tsunami preparedness, requiring NOAA, and the interagency coordinating committee of the U.S. Tsunami Hazard Mitigation Program, to provide technical assistance and advice to international entities as part of an international effort to develop a fully functional global tsunami warning system.

Finally, the bill authorizes $35 million annually for six years to support these activities. Through this legislation, the work Senator Stevens and I started over ten years ago will step up to the next level, and provide our nation with coverage and protection that it needs, while fulfilling our duties as citizens of the global community.

I ask unanimous consent that the full 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. 50

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

SHORT TITLE.

This Act may be cited as the “Tsunami Preparedness Act.”

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) Tsunamis are a series of large waves of long wavelength created by the displacement of water by violent underwater disturbances such as earthquakes, volcanic eruptions, landslides, explosions, and the impact of cosmic bodies.

(2) Tsunamis have caused, and can cause in the future, enormous loss of human life, injury, destruction of property, and economic and social disruption in coastal and island communities.

(3) While 85 percent of tsunami occur in the Pacific Ocean, and coastal and island communities in this region are the most vulnerable to the destructive results, tsunami can occur at any point in any ocean or related body of water where there are earthquakes, volcanoes, or any other activity that displaces a large volume of water.

(4) A number of States and territories are subject to the threat of tsunamis, including Alaska, California, Hawaii, Oregon, Washington, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, and the U.S. Virgin Islands.
(5) The National Oceanic and Atmospheric Administration is responsible for maintaining a tsunami detection and warning system for the Nation, issuing warnings to United States coastal areas at risk from tsunamis, and preparing those communities to respond appropriately, through—

(A) the Pacific Tsunami Warning Center in Ewa Beach, which serves as the nation’s tsunami warning center for Hawaii, all other United States assets in the Pacific, and Puerto Rico;

(B) the Alaska/West Coast Tsunami Warning Center in Alaska, which is responsible for issuing warnings for Alaska, British Columbia, California, Oregon, and Washington;

(C) the Federal-State national tsunami hazard mitigation program;

(D) a tsunami research and assessment program, to be conducted in coordination with the Pacific Marine Environmental Laboratory;

(E) the TsunamiReady Program, which educates and prepares communities for survival before and during a tsunami; and

(F) other related programs.

(6) The National Oceanic and Atmospheric Administration also represents the United States on the International Coordination Group for the Tsunami Warning System in the Pacific, administered by the Intergovernmental Oceanographic Commission of which the Pacific Tsunami Warning Center acts as the operational center and shares seismic and water level information with the member states, and maintains UNESCO’s International Tsunami Information Center, in Honolulu, Hawaii, which provides technical and educational assistance to member states.

(7) The Tsunami Warning Centers receive seismographic information from the Global Seismic Network, an international system of earthquake monitoring stations, from the United States Geological Survey National Earthquake Information Center, and from cooperative regional seismic networks, and use this data to issue tsunami warnings and integrate the information with data from their own tidal and deep ocean monitoring stations, to cancel or verify the existence of a damaging tsunami. Warnings are disseminated by the National Oceanic and Atmospheric Administration to State emergency operation centers.

(8) The systems in the International Tsunami Warning System, such as the lack of regional warning systems in the Indian Ocean, the Pacific Ocean, South America, the Mediterranean Sea, and Caribbean, pose risks for coastal and island communities.

(9) The tragic and extreme loss of life experienced by countries in the Indian Ocean following the magnitude 9.0 earthquake and resulting tsunami in that region on December 26, 2004, and the destructive consequences which can occur in the absence of an effective tsunami warning and notification system.

(10) An effective tsunami warning and notification system is part of a multi-hazard disaster warning and preparedness program and requires near-real-time seismic, sea level, and oceanographic data, high-speed data analysis capabilities, a high-speed tsunami warning communication system, a sustained program of education and risk assessment, and an established system for the international infrastructure for timely and effective dissemination of warnings to activate evacuation of tsunami hazard zones.

(11) The Tsunami Warning System for the Pacific is a model for other regions of the world to adopt, and can be expanded and modernized to increase detection, forecast, and warning capabilities of coastal states and territories, reduce the incidence of costly false alarms, improve reliability of measurement and assessment technology, and increase community preparedness.

(12) Tsunami warning and preparedness capability can be developed in other vulnerable areas of the world by identifying tsunami hazard zones, educating populations, developing alert and notification communications infrastructure, acquiring and deploying tsunami detection sensors and gauges, establishing hazard communication and warning networks, expanding global monitoring of seismic activity, encouraging the increased exchange of seismic and tidal data between nations, and improving international coordination when a tsunami occurs.

(13) UNESCO has recognized the need to establish tsunami warning systems for regions beyond the Pacific Basin that are vulnerable to tsunamis and has convened a working group to lead an effort to expand the International Tsunami Warning System in the Pacific to such vulnerable regions.

(14) The international community and all vulnerable nations should take coordinated efforts to establish and participate in regional tsunami warning systems and other hazard warnings systems developed to meet the goals of the United Nations International Strategy for Disaster Reduction.

(b) PURPOSES.—The purposes of this Act are—

(1) to improve tsunami detection, forecast, warnings, notification, preparedness, and mitigation in order to protect life and property both in the United States and elsewhere in the world;

(2) to improve and modernize the existing Pacific Tsunami Warning System to increase coverage, reduce false alarms and increase accuracy of forecasts and warnings, and expand the warning system to include other vulnerable States and United States territories, including the Caribbean/Atlantic/Gulf region;

(3) to increase and accelerate mapping, modeling, research, assessment, education, outreach efforts in order to improve forecasting, preparedness, mitigation, response, and recovery of tsunami and related coastal hazards;

(4) to provide technical and other assistance to speed international efforts to establish tsunami warning systems in vulnerable areas worldwide, including the Indian Ocean; and

(5) to improve Federal, State, and international coordination and other coastal hazard warnings and preparedness.

SEC. 3. TSUNAMI DETECTION AND WARNING SYSTEM.

(a) IN GENERAL.—The Administrator of the National Oceanic and Atmospheric Administration shall operate a regional detection and warning system for the Pacific Ocean, the Atlantic Ocean, the Caribbean, and Gulf of Mexico region that will provide maximum detection capability for United States coastal areas.

(b) SYSTEM REQUIREMENTS.

(1) PACIFIC SYSTEM.—The Pacific tsunami warning system shall cover the entire Pacific Ocean area, including the Western Pacific, the Central Pacific, the North Pacific, the South Pacific, and the East Pacific and Arctic areas.

(2) ATLANTIC, CARIBBEAN, AND GULF OF MEXICO SYSTEM.—The Atlantic, Caribbean, and Gulf of Mexico system shall cover the Atlantic Ocean, Caribbean Sea, and Gulf of Mexico.

(c) TSUNAMI WARNING CENTERS.

(1) IN GENERAL.—The Administrator shall establish and operate a Tsunami Warning Center.

(2) RESPONSIBILITIES.—The Administrator shall—

(A) utilize an array of deep ocean detection buoys, including redundant and spare buoys; and

(B) incorporate an associated tide gauge and water level system in its design that allows continuous operation of tsunami transmission capability.

(3) COMPONENTS.—The systems shall—

(A) utilize an array of deep ocean detection buoys, including redundant and spare buoys; and

(B) incorporate an associated tide gauge and water level system designed for long-term continuous operation tsunami transmission capability.

(4) TO PROVIDE FOR ESTABLISHMENT OF A COOPERATION BETWEEN THE NATIONAL OCEANIC AND ATOMIC ADMINISTRATION AND THE UNITED STATES GEOLOGICAL SURVEY UNDER WHICH THE GEOLOGICAL SURVEY PROVIDES AND RESEARCHES AND THE ADMINISTRATION FROM INTERNATIONAL AND DOMESTIC SEISMIC NETWORKS FOR INFORMATION AND DATA PROCESSING THROUGH THE TSUNAMI WATCH CENTERS ESTABLISHED UNDER SUBSECTION (C);

(E) be integrated into United States and global ocean and earth observing systems; and

(F) provide a communications infrastructure for at-risk tsunami communities that supports rapid and reliable alert and notification to the public such as the National Oceanic and Atmospheric Administration radio and the All Hazard Alert Broadcast Radio.

(C) TSUNAMI WARNING CENTERS.—

(1) IN GENERAL.—The Administrator shall establish and operate one or more regional centers and provide a link between the detection and warning system and the tsunami hazard mitigation program established under section 4 including—

(A) a Pacific Tsunami Warning Center in Hawaii;

(B) a West Coast and Alaska Tsunami Warning Center in Alaska; and

(C) any additional warning centers determined by the Administrator to be necessary.

(2) RESPONSIBILITIES.—The Administrator shall include—

(A) continuously monitoring data from seismological, deep ocean, and tidal monitoring stations for indications of tsunami resulting from sources other than earthquakes; and

(B) disseminating information and warning bulletins appropriate to the danger from a distant tsunami to government agencies and the public and alerting potentially impacted coastal areas for evacuation.

(3) MAINTENANCE AND UPGRADES.—In carrying out this section, the Administrator shall—

(1) promulgate specifications and standards for forecast, detection, and warning systems, including detection equipment;

(2) develop and execute a plan for the transfer of technology from ongoing research to fully operational systems designed for tsunami detection and warning systems;

(3) ensure that detection equipment is maintained in operational condition to fulfill the forecasting, detection and warning requirements of the regional tsunami detection and warning systems;

(4) obtain, to the greatest extent practical, priority treatment in budgeting for acquiring, transporting, and maintaining weather sensors, tide gauges, water level gauges, and tsunami buoys incorporated into the system including obtaining ship time; and

(5) ensure integration of the tsunami detection system with other United States coastal and ocean observing systems, the global earth observing system of systems, global seismic networks, and the Advanced National Seismic System.

(4) TO PROVIDE FOR ESTABLISHMENT OF A COOPERATION BETWEEN THE NATIONAL OCEANIC AND ATOMIC ADMINISTRATION AND THE UNITED STATES GEOLOGICAL SURVEY UNDER WHICH THE GEOLOGICAL SURVEY PROVIDES AND RESEARCHES AND THE ADMINISTRATION FROM INTERNATIONAL AND DOMESTIC SEISMIC NETWORKS FOR INFORMATION AND DATA PROCESSING THROUGH THE TSUNAMI WATCH CENTERS ESTABLISHED UNDER SUBSECTION (C);

(F) provide a communications infrastructure for at-risk tsunami communities that supports rapid and reliable alert and notification to the public such as the National Oceanic and Atmospheric Administration radio and the All Hazard Alert Broadcast Radio.

(C) TSUNAMI WARNING CENTERS.—

(1) IN GENERAL.—The Administrator shall establish and operate one or more regional centers and provide a link between the detection and warning system and the tsunami hazard mitigation program established under section 4 including—

(A) a Pacific Tsunami Warning Center in Hawaii;

(B) a West Coast and Alaska Tsunami Warning Center in Alaska; and

(C) any additional warning centers determined by the Administrator to be necessary.

(2) RESPONSIBILITIES.—The responsibilities of each tsunami warning center shall include—

(A) continuously monitoring data from seismological, deep ocean, and tidal monitoring stations for indications of tsunami resulting from sources other than earthquakes; and

(B) disseminating information and warning bulletins appropriate to the danger from a distant tsunami to government agencies and the public and alerting potentially impacted coastal areas for evacuation.

(3) MAINTENANCE AND UPGRADES.—In carrying out this section, the Administrator shall—

(1) promulgate specifications and standards for forecast, detection, and warning systems, including detection equipment;

(2) develop and execute a plan for the transfer of technology from ongoing research to fully operational systems designed for tsunami detection and warning systems;

(3) ensure that detection equipment is maintained in operational condition to fulfill the forecasting, detection and warning requirements of the regional tsunami detection and warning systems;

(4) obtain, to the greatest extent practical, priority treatment in budgeting for acquiring, transporting, and maintaining weather sensors, tide gauges, water level gauges, and tsunami buoys incorporated into the system including obtaining ship time; and

(5) ensure integration of the tsunami detection system with other United States coastal and ocean observing systems, the global earth observing system of systems, global seismic networks, and the Advanced National Seismic System.

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(F) provide a communications infrastructure for at-risk tsunami communities that supports rapid and reliable alert and notification to the public such as the National Oceanic and Atmospheric Administration radio and the All Hazard Alert Broadcast Radio.
or expended for the acquisition of services for construction or deployment of tsunami detection equipment unless the Administrator certifies in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science within 60 calendar days after the date on which the President submits the Budget of the United States for the fiscal year for the Congress that—

1. the contract or contract for such services has met the requirements of the act for such construction or deployment;
2. the equipment to be constructed or deployed is capable of becoming fully operational within the obligation period without the expenditure of additional appropriated funds; and
3. the Administrator does not reasonably foresee unanticipated delays in the deployment and operational schedule specified in the contract.

SEC. 4. TSUNAMI HAZARD MITIGATION PROGRAM.

(a) IN GENERAL.—The Administrator of the National Oceanic and Atmospheric Administration is authorized to conduct a community-based tsunami hazard mitigation program to improve tsunami preparedness at-risk areas.

(b) COORDINATING COMMITTEE.—In conducting the program, the Administrator shall establish a coordinating committee comprised of—

1. the National Oceanic and Atmospheric Administration;
2. the United States Geological Survey;
3. the Federal Emergency Management Agency;
4. the National Science Foundation; and
5. affected coastal States and territories.

(c) PROGRAM COMPONENTS.—The program shall—

1. improve the quality and extent of inundation mapping, including assessment of vulnerable coastal areas;
2. promote and improve community outreach and education networks and programs to ensure community readiness, including the development of multi-hazard risk and vulnerability assessment training and decision support tools, implementation of technical training and public education programs, and provision for certification of prepared communities;
3. integrate tsunami preparedness and mitigation programs into ongoing hazard warning, outreach, and emergency management programs in affected areas including the National Response Plan;
4. promote the adoption of tsunami warning and mitigation measures by Federal, State, tribal, and local governments and non-governmental entities through a grant program for training, development of guidelines, and other purposes;
5. through the Federal Emergency Management Agency as the lead agency, develop tsunami specific rescue and recovery guidelines under the National Response Plan, including long-term mitigation measures, educational programs to discourage development in high-risk areas, and use of remote sensing and other technology in rescue and recovery operations;
6. require budget coordination, through the Administration, to carry out the purposes of this Act and to ensure that participating agencies provide necessary funds for matters within their respective areas of authority, expertise, and jurisdiction;
7. provide for periodic external review of the program and for inclusion of the results of such reviews in the report required by section 9.

SEC. 5. TSUNAMI RESEARCH PROGRAM.

(a) ESTABLISHMENT.—The Administrator of the National Oceanic and Atmospheric Administration shall, in coordination with other agencies and academic institutions, establish a tsunami research program to develop detection, prediction, communication, mitigation science and technology that supports tsunami forecasts and warnings, including advanced sensing techniques, information and communication technology, data collection and analysis and assessment of tsunami tracking and numerical forecast modeling that will—

1. help determine—
   (A) whether an earthquake or other seismic event will result in a tsunami; and
   (B) the likely path, severity, duration, and travel time of a tsunami;
2. develop technologies and technologies that may be used to communicate tsunami forecasts and warnings as quickly and effectively as possible to affected communities; and
3. develop technologies and technologies to support evacuation products, including real-time notice of the condition of critical infrastructure along tsunami evacuation routes for public officials and first responders; and
4. develop techniques for utilizing remote sensing technologies in rescue and recovery operations.

(b) COMMUNICATIONS TECHNOLOGY.—The Administrator, in consultation with the Assistant Secretary of Commerce for Economic and Commercial Affairs and the Federal Communications Commission, shall investigate the potential for improved communications systems for tsunami warning, with an emphasis on incorporating into the existing network a full range of options for providing those warnings to the public, including—

1. telephones, including special alert rings;
2. wireless and satellite technology, including cellular telephones and pagers;
3. the Internet, including e-mail;
4. automatic alert televisions and radios;
5. innovative and low-cost combinations of such technologies that may provide access to remote areas; and
6. other technologies that may be developed.

SEC. 6. TSUNAMI SYSTEM UPGRADE AND MODERNIZATION.

(a) SYSTEM UPGRADES.—The Administrator of the National Oceanic and Atmospheric Administration shall—

1. authorize and direct the immediate repair of existing deep ocean detection buoys and related systems;
2. ensure the deployment of an array of deep ocean detection buoys in the regions described in section 3(a) of this Act;
3. expand or upgrade the tide gauge network in the regions described in section 3(a); and
4. complete the upgrades not later than December 31, 2007.

(b) CONGRESSIONAL NOTIFICATIONS.—The Administrator shall notify the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science of—

1. impaired regional detection coverage due to equipment or system failures; and
2. significant contractor failures or delays in completing work associated with the tsunami detection and warning system.

(c) ANNUAL REPORT.—The Administrator shall transmit an annual report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science of the status of the tsunami detection and warning system, including accuracy, false alarms, equipment failures, improvements over the previous year, and any further improvement plans or plans for curing failures of the system, as well as progress and accomplishments of the National tsunami hazard mitigation program.

(d) EXTERNAL REVIEW.—The National Academy of Sciences shall review the tsunami detection, forecasting, and warning system operated by the National Oceanic and Atmospheric Administration under this Act to assess further modernization or expansion needs, as well as long-term operational reliability issues, taking into account measures implemented under this Act, and transmit a report containing its findings, including an estimate of the costs of implementing those recommendations, to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science within 21 months after the date of enactment of this Act.

SEC. 7. GLOBAL TSUNAMI WARNING AND MITIGATION NETWORK.

(a) INTERNATIONAL TSUNAMI WARNING SYSTEM.—The Administrator of the National Oceanic and Atmospheric Administration, in coordination with other members of the United States Interagency Committee of the National Tsunami Mitigation Program, shall provide technical assistance and advice to the Intergovernmental Oceanographic Commission of UNESCO, the World Meteorological Organization, and other international entities, as part of international efforts to develop a fully functional global tsunami warning system comprised of regional tsunami warning networks on the International Tsunami Warning System of the Pacific.

(b) DETECTION EQUIPMENT, TECHNICAL ADVICE.—In carrying out this section, the Administrator—

1. shall give priority to assisting nations in identifying vulnerable coastal areas, creating inundation mapping and real-time detection and reporting equipment, and establishing communication and warning networks and contact points in each vulnerable nation; and
2. may establish a process for transfer of detection and communication technology to nations for purposes of establishing the international tsunami warning system.

(c) DATA-SHARING REQUIREMENT.—The Administrator may not provide assistance under this section for any region unless all affected nations in that region participating in the tsunami warning network agree to comply with relevant data management protocols and the development and operation of the network.

(d) RECEIPT OF INTERNATIONAL REIMBURSEMENT AUTHORIZED.—The Administrator may accept payment to, or reimbursement of, the National Oceanic and Atmospheric Administration in cash or in kind from international organizations and foreign authorities, or reimbursement made on behalf of such an authority, for expenses incurred by the Administrator in carrying out any activity under this Act. Any such payments or reimbursements shall be offset and shall be reimbursed to the appropriated funds of the Administration.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Administrator of the National Oceanic and Atmospheric Administration $35,000,000 for each of fiscal years 2006 through 2012 to carry out this Act.

Mr. President, the President, the Tsunami Preparedness Act, S. 50, will authorize much of the work that Senator Inouye and I have done on the Appropriations Committees. It establishes a National Tsunami Hazard Mitigation Program in the National Oceanic and Atmospheric Administration. The recent
events in Indonesia reminds us all how critical it is to have a strong detection network and warning system for coastal communities. Currently there are 15 communities from Alaska, the west coast and Hawaii that are ‘‘Tsunami Ready’’, a certification by NOAA that the community has a communication plan, detection and coordination plan in case of a Tsunami event.

The Tsunami Preparedness Act provides the essential component of any warning system—a program for outreach in order to inform potentially Tsunami-impacted communities and for these coastal areas to plan accordingly.

I have worked closely with Senator INOUYE on this legislation and it is an example of how we plan to coordinate on bills from the Commerce Committee. This legislation also represents the importance of tsunami detection and early warning for our States, both of which have experienced deadly tsunamis in the past and are ever vigilant to remain prepared for future possible events.

The administration released its plan for an improved tsunami monitoring system on January 14, 2005, committing itself to improving early detection and warning of tsunami events. The administration’s proposal is a good one and this bill will build on many of the commitments made in their plan. In addition, the bill improves the federal coordination and dissemination of tsunami information and research. It establishes a multi-agency task force consisting of representatives from NOAA, FEMA, USGS, NSF and potentially impacted coastal states and territories.

The tsunami preparedness act will expand tsunami research, and consistently upgrade and maintain the improved system, which would cover the Pacific and Atlantic-Caribbean-Gulf of Mexico regions. In an effort to lend help and education, the bill also directs NOAA to assist other countries that could be impacted by tsunamis and build on the United States efforts to establish an international earth observing system.

It is a pleasure to work with my good friend from Hawaii on this important legislation.

By Mr. INOUYE:
S. 58. A bill to amend title 10, United States Code, to permit former members of the Armed Forces who have a service-connected disability rated as total to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces whose disabilities are rated by the Secretary of Veterans Affairs at 30 percent or more.

By Mr. INOUYE:
S. 59. A bill to amend title 10, United States Code, to authorize certain disabled former prisoners of war to use Department of Defense commissary and exchange stores; to the Committee on Armed Services.

Mr. INOUYE, Mr. President, today I am reintroducing a bill which is of great importance to a group of patriotic Americans. This legislation is designed to provide access to commissary and exchange privileges on military aircraft to those who have been totally disabled in the service of our country.

Currently, retired members of the Armed Services are permitted to travel on a space-available basis on non-scheduled military flights within the continental United States, and on scheduled overseas flights operated by the Military Airlift Command. My bill would put an end to automatic cost-of-living adjustments for the military commissary and post exchange privileges. While I realize it is impossible to adequately compensate one who has endured long periods of incarceration at the hands of our Nation’s enemies, I do feel this gesture is both meaningful and important to those concerned because it serves as a reminder that our Nation has not forgotten their sacrifices.

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

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

S. 59

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

SECTION 1. USE OF COMMISSARY AND EXCHANGE STORES BY CERTAIN DISABLED FORMER PRISONERS OF WAR.

(a) In General.—Chapter 54 of title 10, United States Code, is amended by inserting after section 1060b the following new section:

**1064c. Travel on military aircraft: certain disabled former members of the armed forces.**

The Secretary of Defense shall permit any former member of the armed forces who is entitled to compensation under the laws administered by the Secretary of Veterans Affairs for a service-connected disability rated as total to travel, in the same manner and to the same extent as retired members of the armed forces, on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the Air Mobility Command. The Secretary of Defense shall permit such travel on a space-available basis.

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1060b the following new item:

**1060c. Travel on military aircraft: certain disabled former members of the armed forces.**

By Mr. FEINGOLD:
S. 60. A bill to repeal the provision of law that provides automatic pay adjustments for Members of Congress; to the Committee on Homeland Security and Governmental Affairs.

Mr. FEINGOLD. Mr. President, I am pleased to reintroduce legislation that would put an end to automatic cost-of-living adjustments for congressional pay.

As I have noted when I raised this issue in past years, it is an unusual thing to have the power to raise our own pay. Most of our constituents do not have that power. And that this power is so unusual is good reason for the Congress to exercise that power openly, and to exercise it subject to regular procedures that include debate, amendment, and a vote on the record.

I regret to say, that current law permits Congress to avoid that public debate and vote. All that is necessary for Congress to get a pay raise is that...
nothing be done to stop it. The annual pay raise takes effect unless Congress acts.

This stealth pay raise mechanism began with a change Congress enacted in the Ethics Reform Act of 1989. In section 214(d), the Senate, and in section 305(a), the House, voted to make themselves entitled to an annual raise equal to half the percentage point less than the employment cost index, one measure of inflation.

It is true, that on occasion Congress has voted to deny itself the raise, and the traditional vehicle for the pay raise vote is the Treasury appropriations bill. But that vehicle is not always made available to those who want a public debate and vote on the matter. Just last year, for example, the Treasury appropriations bill was slipped into the massive Omnibus Appropriations conference report, and thus it was completely shielded from amendment. Senators were effectively prevented from offering amendments to force up or down vote on the annual pay raise. And that situation was not unique.

Getting a vote on the annual congressional pay raise is a haphazard affair, at best, and it should not be that way. Congress should not be on notice that it could not be on those who seek a public debate and recorded vote on the Member pay raise. On the contrary, Congress should have to act if it decides to award itself a hike in pay. This process of pay raises without accountability must end.

This issue is not a new question. It was something that our Founders considered from the beginning of our Nation. In August 1789, as part of the package of 12 amendments advocated by James Madison that included what has become our Bill of Rights, the House of Representatives passed an amendment to the Constitution providing that Congress could not raise its pay without an intervening election. On August 17, 1789, the Senate passed that amendment. In late September 1789, Congress submitted the amendments to the States.

Although the amendment on pay raises languished for two centuries, in the 1980s, a campaign began to ratify it. While I was a member of the Wisconsin State Senate, I was proud to have it. While I was a member of the Wisconsin State Senate, I was proud to have it. While I was a member of the Wisconsin State Senate, I was proud to have it. While I was a member of the Wisconsin State Senate, I was proud to have it. While I was a member of the Wisconsin State Senate, I was proud to have it. While I was a member of the Wisconsin State Senate, I was proud to have it.

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States Army during the period beginning on July 2, 1956, and ending on January 17, 1951, shall be deemed to be active military service from which Jim K. Yoshida was discharged under conditions shown to be the result of wounds or illnesses of all arms served by the Secretary of Veterans Affairs.

(c) PROSPECTIVE APPLICABILITY.—No benefits may be paid or otherwise provided to Jim K. Yoshida of Honolulu, Hawaii, by reason of the enactment of this Act with respect to any period before the date of the enactment of this Act.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 63, to establish the Northern Rio Grande National Heritage Area in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, I rise today to reintroduce legislation to establish the Northern Rio Grande National Heritage Area in northern New Mexico. I am pleased that Senator DOMENICI is again joining me in sponsoring this bill. The Northern Rio Grande National Heritage Area will be established as part of a collaborative effort between local residents, Indian tribes, businesses and local governments, who are working together to preserve the area.

By establishing the Northern Rio Grande National Heritage Area, I hope to commemorate the significant but complex heritage of northern New Mexico communities and Indian tribes, from the pre-Spanish colonization period to present day. Establishing a National Heritage Area will benefit the northern New Mexico communities, local residents, students, and visitors, as well as help the local protection and interpretation of the unique cultural, historical, and natural resources of northern New Mexico.

Last Congress, identical legislation passed the Senate by unanimous consent and again as part of a comprehensive heritage area bill. The House of Representatives did not extend the same authorization for other heritage areas but unfortunately the different versions were not able to be reconciled prior to the sine die adjournment of the Congress. However, I am encouraged that the Senate and House have each approved authorization for the Northern Rio Grande National Heritage Area, and it is my hope that since both Houses have now passed legislation that is essentially identical to the bill I am introducing today, it can be swiftly considered and enacted into law.

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:

SEC. 2. CONGRESSIONAL FINDINGS. The Congress finds that—

(1) northern New Mexico encompasses a mosaic of cultures and history, including the presence of Spanish ancestors who settled in the area in 1598;

(2) the combination of cultures, languages, folk arts, customs, and architecture make northern New Mexico unique;

(3) the area includes spectacular natural, scenic, and recreational resources;

(4) there is broad support from local governments and interested individuals to establish a National Heritage Area to coordinate and assist in the preservation and interpretation of these resources;

(5) in 1991, the National Park Service study identified several alternative consistent with the establishment of a National Heritage Area, including conducting a comprehensive archaeological and historical research program, coordinating a comprehensive interpretation program, and interpreting a cultural heritage scene; and

(6) establishment of a National Heritage Area in northern New Mexico would assist local communities and residents in preserving these unique cultural, historical and natural resources.

SEC. 3. DEFINITIONS. As used in this Act—

(1) the term "heritage area" means the Northern Rio Grande Heritage Area; and

(2) the term "Secretary" means the Secretary of the Interior.

SEC. 4. NORTHERN RIO GRANDE NATIONAL HERITAGE AREA.

(a) ESTABLISHMENT.—There is hereby established the Northern Rio Grande National Heritage Area in the State of New Mexico.

(b) BOUNDARIES.—The heritage area shall include the counties of Santa Fe, Rio Arriba, and Taos.

(c) MANAGEMENT ENTITY.—

(1) The Northern Rio Grande Heritage Area, Inc., a non-profit corporation chartered in the State of New Mexico, shall serve as the management entity for the heritage area.

(2) The Board of Directors for the management entity shall include representatives of the State of New Mexico, the counties of Santa Fe, Rio Arriba and Taos, tribes and pueblos within the heritage area, the cities of Santa Fe, Española and Taos, and members of the general public. The number of Board members and the number of Directors representing State, local and tribal governments and interested communities shall be established by the parties that have appropriate representation on the Board.

(d) DUTIES.—The management entity shall—

(1) assist in maintaining interpretive exhibits in the heritage area;

(2) develop and maintain recreational resources in the heritage area;

(3) encourage and cooperate with local and tribal governments to better enable them to adopt land use policies consistent with the goals of the management plan;

(4) encourage by appropriate means economic viability in the heritage area consistent with the goals of the management plan; and

(5) assist local and tribal governments and non-profit organizations in—

(A) establishing and maintaining interpretive exhibits in the heritage area;

(B) developing recreational resources in the heritage area;

(C) increasing public awareness of, and appreciation for, the cultural, historical, archaeological, and natural resources and sites in the heritage area; and

(D) the restoration of historic structures related to the heritage area; and

(6) The management entity may make grants and provide technical assistance to local and tribal governments, and other public and private entities to carry out the management plan.

(e) REPORTS AND AUDITS.—The management entity shall—

(1) give priority in implementing actions set forth in the management plan;

(2) coordinate with tribal and local governments to better enable them to adopt land use policies consistent with the goals of the management plan;

(3) encourage by appropriate means economic viability in the heritage area consistent with the goals of the management plan; and

(4) make recommendations for proposed revisions to the management plan.

(5) ANNUAL REPORTS AND AUDITS.—The management entity shall hold public meetings at least annually regarding the implementation of the management plan.

(6) The management entity shall submit an annual report to the Secretary setting forth accomplishments, expenses and income, and each entity to which any grant was made by the management entity.

(7) The management entity shall make available to the Secretary for audit all records relating to the expenditure of Federal funds and any matching funds. The management entity shall also require, for all agreements authorizing expenditure of Federal funds by other organizations, that the recipient organizations make available to the Secretary for audit all records concerning the expenditure of those funds.
SEC. 6. DUTIES OF THE SECRETARY.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—The Secretary may, upon request of the management entity, provide technical and financial assistance to develop and implement the management plan.

(b) PRIORITY.—In providing assistance under subsection (a), the Secretary shall give priority to actions that facilitate:

(1) the conservation of the significant natural, cultural, historical, archaeological, scenic, and recreational resources of the heritage area; and

(2) the provision of educational, interpretive, and recreational opportunities consistent with the resources and associated values of the heritage area.

SEC. 7. SAVINGS PROVISIONS.

(a) NO EFFECT ON PRIVATE PROPERTY.—Nothing in this Act shall be construed to modify, enlarge, or diminish any authority of Federal, State, or local government to regulate any use of privately owned lands; or

(2) grant the management entity any authority to regulate the use of privately owned lands.

(b) TRIBAL LANDS.—Nothing in this Act shall abridge the right of an Indian tribe to regulate the use of tribal-owned lands.

(c) AUTHORITY OF GOVERNMENTS.—Nothing in this Act shall:

(1) modify, enlarge, or diminish any authority of Federal, State, tribal, or local governments to manage or regulate any use of land as provided for by law or regulation; or

(2) authorize the management entity to assume any management authorities over such lands.

(d) TRUST RESPONSIBILITIES.—Nothing in this Act shall diminish the Federal Government's trust responsibilities or government-to-government obligations to any federally recognized Indian tribe.

SEC. 8. SUNSET.

The authority of the Secretary to provide assistance under this Act terminates on the date that is 15 years after the date of enactment of this Act.

SEC. 9. AUTHORIZATION OF Appropriations.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act $10,000,000 of which not more than $1,000,000 may be authorized to be appropriated for any fiscal year.

(b) COST-SHARING REQUIREMENT.—The Federal share of the total cost of any activity assisted under this Act shall be not more than 50 percent.

By Mr. INOUYE (for himself, Mr. STEVENS, and Mr. BURNS):

S. 65. A bill to amend the age restrictions for pilots; to the Committee on Commerce, Science, and Transportation.

Mr. INHOFE. Mr. President, I rise today, as an experienced pilot over age 60, along with my colleagues, Senator STEVENS and Senator BURNS, to introduce a bill that will help end age discrimination among airline pilots.

I also want to thank my colleague in the other chamber, Congressman Jim Gibbons, for his leadership on this issue and for introducing the companion version of this bill.

This bill will abolish the Federal Aviation Administration's Age 60 Rule, the regulation that for more than 40 years has forced the retirement of airline pilots the day they turn 60 and replace it with a rational plan that ties the commercial pilot retirement age to the Social Security retirement age currently 65.

Most nations have abolished mandatory age 60 retirement rules. The United States is one of only two countries in the Joint Aviation Authority that require pilots to retire at the age of 60. Some countries, including Canada, Australia, and New Zealand have no upper age limit at all.

The Age 60 Rule has no basis in science, safety and never did. FAA data shows that pilots over age 60 are as safe as, and in some cases safer than, their younger colleagues. There have been numerous studies and statements in support of abolishing the Age 60 Rule.

In 1981, the National Institute of Aging stated that the Age 60 Rule appears indefensible on medical grounds and there is no convincing medical evidence to support age 60, or any other specific age, for mandatory pilot retirement.

The FAA released the Hilton Study in 1993, which stated that the data for all groups of pilots were remarkably consistent in showing a modest decrease in accident rate with age, but higher accident rates as pilots near age 60.

Furthermore, in May 1999, the Senate Appropriations Committee asked the FAA to report on why the US should not carefully increase the age to 63, like other countries have for commercial aviation.

Airline Pilots magazine stated in a September 2003 article, "If a permanent replacement for the 30 year Treasury bond rate is also applied to the calculation of lump-sum payments, we recommend a long transition period, similar to that proposed in H.R. 1776, the pension legislation introduced by Rep. BOB PORTMAN. For pilots who must retire at age 60, this is particularly important. It would be unfair to pull the rug out from under employees who have carefully planned their retirement finances, especially pilots who can't fly longer to make up for the amounts lost because of a change in the basis used to calculate lump-sum payments.

As recently as September 14, 2004, in a hearing before the Senate Special Committee on Aging, Captain Joseph "Ike" Elchelkraut, President of Southwest Airlines Pilots' Association, testified: "The 4000 plus pilots of the Southwest Airlines Pilots' Association, oppose the Age 60 Rule.

Flying a commercial airliner is not the physically demanding environment I encountered 15 years ago in the 7 9 "G" world of the F-16 I flew in the Air Force. Commercial piloting is, however, a job requiring key management skills and sound judgment. These are talents that I have found typically come with age and experience.

"The facts are that plain. The FAA has the ideal mechanisms for ensuring safe pilots at any age are already in place. To retain my license and fly as a pilot for Southwest Airlines, I must pass semi-annual flight physicals administered by a qualified (FAA licensed) Aero-Medical Examiner (AME). When a pilot turns 40 years of age, he undergoes a Medical Knowledge and flight physical, which is electronically transmitted by the AME directly to FAA headquarters where a computer program alerts if parameters dictate.

"Pilots must also successfully pass semi-annual simulator training and flight checks designed to evaluate the crewmember's ability to respond to various aircraft emergencies and/or competently handle advances in flight technology and the Air Traffic Control (ATC) environment. Captains must demonstrate, twice yearly, complete knowledge of systems and procedures, safe piloting skills and multi-tasking by managing emergency and normal flight situations, typically in instrument flight conditions and in advanced simulators. There is no greater test of cognitive ability and mental dexterity than these simulator rides. Flight crews are also administered random inflight check rides by FAA inspectors and Southwest check airmen. Furthermore, we are subject to random alcohol and drug testing at any time while on duty. There is no other profession examined to this level. The 59 year old Captain arrives at this point in his career having demonstrated successful performance without the kind of scrutiny this kind of profession requires.

FAA studies have verified the superior level of safety exhibited by this senior Captain.

"At Southwest, our pilots are trained to fly the aircraft on instruments down to 50' above the ground in poor visibility conditions before acquiring the intended runway and landing visually. In simulators, both pilots must demonstrate the ability to immediately determine whether a safe landing can be made and this pilot can execute a "go-around" or land. The First Officer is trained to assume control of the aircraft and execute a "go-around" if the Captain fails to respond to procedures at this critical decision point. If either pilot should become incapacitated, even at touchdown, the other pilot is capable of assuming control in order to fly the airplane to a safe landing. The passengers would probably remain unaware that a pilot had become unable to fly the aircraft and were met at the gate by Emergency Medical Technicians (EMT).

"Simulator failure rates among SWA pilots are low. Last year there were only 31 out of 4,200 simulator checkrides. But as pilots approach age 60 the failure numbers are at their lowest. The graph attached shows this and believe that experience is the key. As pilots get older, they know how to better handle the extreme situations they may be encountered in simulator checks. The mean rate for all airline pilots at an even rate from a pilot's thirties through his fifties. Of course, because of the Age 60 rule, I don't have data to
show that this trend would continue throughout a pilot's sixties, but I suspect it would."

I urge the Commerce Committee to hold hearings along these lines.

Furthermore, on September 29, 2004, thousands of people watched as 63-year-old Michael Melvill made history by becoming the first civilian to pilot a craft into space. In doing so, he helped Paul Allen, the owner of Mojave Aerospace Ventures, which owns SpaceShipOne technology, along with the SpaceShipOne, pilot Rutan, win the coveted $10 million Ansari X-Prize.

Melvill took SpaceShipOne above the 62-mile altitude point, ultimately soaring to 397,500 feet. Despite rolling nearly 30 times, Melvill was able to gain control of the vehicle, re-enter the atmosphere, and glide to a landing. I attribute this recovery and subsequent landing to Melvill's years of extensive experience as a test pilot.

The story goes on to detail how our most experienced pilots, those like Michael Melvill demonstrably healthy, and fit for duty—to retain their jobs, a step that will benefit pilots, the financially burdened airlines, and most importantly, passengers.

Again, there is no scientific justification for requiring pilots to retire at age 60. Our pilots, our airlines, and our passengers deserve our consideration. I urge the rest of my colleagues to support this important legislation.

S. 66. A bill to amend title XIX of the Social Security Act to provide for coverage of services provided by nursing school clinics under medicaid programs; to the Committee on Finance.

Mr. INOUYE, Mr. President, today I introduce the Nursing School Clinics Act. This bill builds on our concerted efforts to provide access to quality health care for Americans by offering grants and incentives for nursing schools to establish primary care clinics in underserved areas where additional medical services are most needed. In addition, this measure provides the opportunity for nursing schools to enhance the scope of student training and education by providing firsthand clinical experience in primary care facilities.

Primary care clinics administered by nursing schools are university or nonprofit primary care centers developed mainly in collaboration with university schools of nursing and the communities they serve. These centers are staffed by faculty and staff who are nurse practitioners and public health nurses. Students supplement patient care while receiving preceptorships provided by college of nursing faculty and primary care physicians, often associated with academic institutions, who serve as collaborators with nurse practitioners. To date, the comprehensive models of care provided by nursing clinics have yielded excellent results, including significantly fewer emergency room visits, fewer hospital inpatient days, and less use of specialists, as compared to conventional primary health care.

This bill reinforces the principle of combining health care delivery in underserved areas with the education of advanced practice nurses. To accomplish these objectives, Title XIX of the Social Security Act would be amended to designate that the services provided in these nursing school clinics are reimbursable under Medicaid. The combination of grants and the provision of Medicaid reimbursement furnishes the financial incentives for clinic operators to establish the clinics.

In order to meet the increasing challenges of bringing cost-effective and quality health care to all Americans, we must consider a wide range of proposals, both large and small. Most importantly, we must approach the issue of health care with creativity and determination. All possible avenues are pursued. Nurses have always been an integral part of health care delivery. The Nursing School Clinics Act recognizes the central role nurses can perform as care givers to the same, lack of information, and lack of knowledge about available resources. Due to the diversity of rural populations, language and cultural obstacles are often a factor in the access to medical care.

I am proud to face these problems with limited financial resources, and the result is that many Americans living in rural communities go without vital health care, especially preventive care. Children fail to receive immunizations and routine checkups. Preventable illnesses and injuries occur needlessly, and lead to expensive hospitalizations. Early symptoms of emotional problems and substance abuse go undetected, and often develop into full-blown disorders. By Mr. INOUYE:

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

SEC. 1. SHORT TITLE.

This Act may be cited as the "Nursing School Clinics Act of 2005.

SEC. 2. MEDICAID COVERAGE OF SERVICES PROVIDED BY NURSING SCHOOL CLINICS.

(a) In General.—Section 1905(a)(10)(C)(iv) of the Social Security Act (42 U.S.C. 1396d(a)(10)(C)(iv)) is amended by—

(1) by inserting after paragraph (27), the following new paragraph:

(28) nursing school clinic services (as defined in subsection (x)) furnished by or under the supervision of a nurse practitioner or a clinical nurse specialist is fined in subsection (x)) furnished by or under the supervision of a nurse practitioner or clinical nurse specialist.

(b) NURSING SCHOOL CLINIC SERVICES DEFINED.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding the following new subsection:

(x) the term 'nursing school clinic services' means services provided by a health care facility operated by an accredited school of nursing which provides primary care, long-term care, mental health counseling, home health counseling, home health care, or other health care services which are within the scope of practice of a registered nurse.

(c) CONFORMING AMENDMENT.—Section 1902(a)(10)(C)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended by inserting "and (28) after (24)."

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to payments made under a State plan with respect to payments made under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for calendar quarters beginning with the first calendar quarter following the date of enactment of this Act.

By Mr. INOUYE:

S. 67. A bill to amend the Public Health Act to provide health care practitioners in rural areas with training in preventive health care, including both physical and mental care, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. INOUYE. Mr. President, I rise today to introduce the Rural Preventive Health Care Training Act, a bill that responds to the dire need of our rural communities for quality health care and disease prevention programs. Almost one fourth of Americans live in rural areas and frequently lack access to adequate physical and mental health care. As many as 21 million of the 34 million people living in underserved rural areas are without access to a primary care provider. Even in areas where providers do exist, there are numerous limits to access, such as geographic distance, lack of transportation, and lack of knowledge about available resources. Due to the diversity of rural populations, language and cultural obstacles are often a factor in the access to medical care.

Interdisciplinary preventive training of rural health care providers must be encouraged. Through such training, rural health care providers can build a strong educational foundation from the behavioral, biological, and psychological sciences. Interdisciplinary team prevention training will also facilitate operation at sites with both health and mental health clinics by facilitating routine consultation between groups. Emphasizing the mental health disciplines and their services as part of the health care team will contribute to the overall health of rural communities.

The Rural Preventive Health Care Training Act would implement the
S. 67

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 “Rural Preventive Health Care Training Act of 2005”.

SEC. 2. PREVENTIVE HEALTH CARE TRAINING.

Part D of title VII of the Public Health Service Act (42 U.S.C. 300q–7 et seq.) is amended by inserting after section 754a the following:

“SEC. 754A. PREVENTIVE HEALTH CARE TRAINING.

“(a) IN GENERAL.—The Secretary shall encourage, but care to prevent both physical and mental applicants to provide preventive health care with, eligible applicants to enable such application for medical assistance for the period beginning on July 1, 1990, and ending on March 31, 1993.

“(b) LIMITATION.—There shall be no objection, the bill was ordered to be printed in the RECORD.

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

S. 68

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 “Native Hawaiian Medicaid Coverage Act of 2005”.

SEC. 2. 100 PERCENT FMAP FOR MEDICAL ASSISTANCE.

There are authorized to be appropriated to the Department of Veterans Affairs to pay dependency and indemnity compensation to Kathryn E. Box, the now-deceased mother of Donald C. Pence, for the period beginning on July 1, 1990, and ending on March 31, 1992.

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

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

S. 69

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 “Native Hawaiian Medicaid Coverage Act of 2005”.

SEC. 2. 100 PERCENT FMAP FOR MEDICAL ASSISTANCE PROVIDED TO A NATIVE HAWAIIAN THROUGH A FEDERALLY-QUALIFIED HEALTH CENTER OR A NATIVE HAWAIIAN HEALTH CARE SYSTEM UNDER THE MEDICAID PROGRAM.

(a) MEDICAID.—The third sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended by inserting “, and with respect to medical assistance provided to a Native Hawaiian (as defined in section 12 of the Native Hawaiian Health Care Improvement Act) through a federally-qualified health center or a Native Hawaiian health care system (as so defined) whether directly, by referral, or under contract or other arrangement with a federally-qualified health center or a Native Hawaiian health care system and another health care provider, prior to the period.

(b) EFFECTIVE DATE.—The amendment made by this section applies to medical assistance provided on or after the date of enactment of this Act.

By Mr. INOUYE:

S. 68. A bill to amend title XIX of the Social Security Act to provide 100 percent FMAP for medical assistance provided to a Native Hawaiian through a federally-qualified health center or a Native Hawaiian health care system; to the Committee on Finance.

Mr. INOUYE. Mr. President, today I introduce the Native Hawaiian Medicaid Coverage Act. This legislation would authorize a Federal Medicaid Assistance Percent (FMAP) of 100 percent for the payment of health care costs of Native Hawaiians who receive health care from Federally Qualified Health Centers or the Native Hawaiian Health Care System.

This bill was originally a provision in the Medicare Prescription Drug Bill, which the Senate passed by an overwhelming majority of 76 to 21, but was dropped from the final Medicare Prescription Drug Conference Report.

This bill is modeled on the Native Alaskan Health Care Act, which provides for a 100 percent FMAP of 100 percent for payment of health care costs for Native Alaskans by the Indian Health Service, an Indian tribe, or a tribal organization.

Community health centers serve as the “safety net” for uninsured and medically underserved Native Hawaiians and other United States citizens, providing primary and preventive health services to the entire community. Outpatient services offered to the entire family include comprehensive primary care, preventive health, mental health, and nutrition education outreach in the local community. Community health centers, with their multidisciplinary approach, offer cost effective integration of health promotion and wellness with chronic disease management and primary care focused on serving vulnerable populations.

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

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

S. 69

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 “Veterans Affairs, Department of".

SEC. 2. RELIEF OF DONALD C. PENCE.

(a) RELIEF.—The Secretary of the Treasury shall pay, out of any moneys in the Treasury not otherwise appropriated, to Donald C. Pence, of Sanford, North Carolina, the sum of $31,128 in compensation for the failure of the Department of Veterans Affairs to pay dependency and indemnity compensation to Kathryn E. Box, the now-deceased mother of Donald C. Pence, for the period beginning on July 1, 1990, and ending on March 31, 1992.

(b) LIMITATION ON FEES.—Not more than a total of 10 percent of the payment authorized by subsection (a) shall be paid to or received by agents or attorneys for services rendered in connection with obtaining such payment, and shall be paid to Mrs. Box at the time of her death. My bill would correct this injustice, and I urge my colleagues to support this measure.

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

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

S. 70. A bill to amend title XVIII of the Social Security Act to remove the restriction that a clinical psychologist or a clinical social worker provide services in a comprehensive outpatient rehabilitation facility to a patient only under the care of a physician; to the Committee on Armed Services.

Mr. INOUYE. Mr. President, today I introduce legislation to authorize the availability of clinical psychologists and clinical social workers within the Medicare comprehensive outpatient rehabilitation facility program.

In my judgment, it is unfortunate that Medicare requires clinical supervision of the services provided by certain health professionals and does not allow them to function to the full extent of their competence. Those who need the services of outpatient rehabilitation facilities should have access to a wide range of social and behavioral science expertise. Clinical psychologists and clinical social workers are recognized as independent providers of mental health care services under the Federal Employee Health Benefits Program, the TRICARE Military Health Program of the Uniformed Services, the Medicare (Part B) Program, and numerous private insurance plans. This legislation will ensure that these qualified professionals have the same recognition under the Medicare comprehensive outpatient rehabilitation facility program.

By Mr. INOUYE:

S. 69. A bill to amend title XIX of the Social Security Act to provide 100 percent FMAP for medical assistance provided to a Native Hawaiian through a federally-qualified health center or a Native Hawaiian health care system; to the Committee on Finance.

Mr. INOUYE. Mr. President, today I am reintroducing a private relief bill for the relief of Donald C. Pence to the Committee on Armed Services.

Mr. INOUYE. Mr. President, today I am reintroducing a private relief bill for the relief of Donald C. Pence to the Committee on Armed Services.
Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 70

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 "Autonomy for Psychologists and Social Workers Act of 2005".

SEC. 2. REMOVAL OF RESTRICTION THAT A CLINICAL PSYCHOLOGIST OR CLINICAL SOCIAL WORKER PROVIDE SERVICES IN A COMPREHENSIVE OUT-PATIENT HOSPITAL FACILITY TO A PATIENT ONLY UNDER THE CARE OF A PHYSICIAN. (a) In General.--Section 1861(cc)(2)(E) of the Social Security Act (42 U.S.C. 1395x(cc)(2)(E)) is amended by striking "physician" and inserting "physician, except that a patient receiving qualified psychologist services (as defined in subsection (i)) may be under the care of a clinical psychologist with respect to such services to the extent permitted under State law and except that a patient receiving clinical social worker services (as defined in subsection (h)(2)) may be under the care of a clinical social worker with respect to such services to the extent permitted under State law.". (b) EFFECTIVE DATE.--The amendment made by subsection (a) shall apply to services provided on or after January 1, 2006.

By Mr. INOUYE.

S. 71

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 "Registered Nurse Safe Staffing Act of 2005".

SEC. 2. FINDINGS. Congress makes the following findings:

(1) There are hospitals throughout the United States that have inadequate staffing of registered nurses who are not able to protect the well-being and health of the patients.

(2) Studies show that the health of patients in hospitals is directly proportionate to the number of registered nurses working in the hospital.

(3) There is a critical shortage of registered nurses in the United States.

(4) The effect of that shortage is revealed in unsafe staffing levels in hospitals.

(5) Patient safety is adversely affected by these unsafe staffing levels, creating a public health crisis.

(6) Registered nurses are being required to perform professional services under conditions that do not support quality health care and a healthy work environment for registered nurses.

(7) As a payer for inpatient and outpatient hospital services for individuals entitled to benefits under title XVIII of the Social Security Act, the Federal Government has a compelling interest in promoting the safety of such individuals by requiring any hospital participating in such program to establish minimum safe staffing levels for registered nurses.

SEC. 3. ESTABLISHMENT OF MINIMUM STAFFING RATIOS BY MEDICARE PARTICIPATING HOSPITALS. (a) REQUIREMENT OF MEDICARE PROVIDER AGREEMENT. Section 1888 of the Social Security Act (42 U.S.C. 1395cc(a)(1)) is amended—

(1) in subparagraph (R), by striking "and" after the comma at the end; and

(2) in subparagraph (S), by striking the period at the end and inserting "and"; and

by inserting after subparagraph (S) the following new subparagraph: "(T) in the case of a hospital, to meet the requirements of section 1888.

(b) EFFECTIVE DATE.--Section 1868 of the Social Security Act is amended by inserting after section 1888 the following new section:

"STAFFING REQUIREMENTS FOR MEDICARE PARTICIPATING HOSPITALS. "SEC. 1889. (a) ESTABLISHMENT OF STAFFING SYSTEM FOR PARTICIPATING HOSPITALS.--(1) IN GENERAL.--Each participating hospital shall adopt and implement a staffing system that ensures a number of registered nurses on each shift and in each unit of the hospital to ensure appropriate staffing levels for patient care.

(2) STAFFING SYSTEM REQUIREMENTS.--(A) subject to paragraph (3), a staffing system adopted and implemented under this section shall--(A) be based upon input from the direct caregivers and registered nurse staff or their exclusive representatives, as well as the chief nurse executive;

(B) be based upon the number of patients and the level and variability of intensity of care to be provided, with appropriate consideration given to admissions, discharges, and transfers during each shift;

(C) account for contextual issues affecting staffing and the delivery of care, including architecture and geography of the environment and available technology;

(D) reflect the level of preparation and experience of those providing care;

(E) account for staffing level effectiveness or deficiencies in related health care classification including but not limited to, certified nurse assistants, licensed vocational nurses, licensed psychiatric technicians, nursing assistants, aides, and orderlies;

(F) reflect staffing levels recommended by specialty nursing organizations;

(G) establish upwardly adjustable registered nurse-to-patient ratios based upon registered nurse assignment of patient acuity and existing conditions;

(H) provide that a registered nurse shall not be assigned to work in a particular unit unless the first having the ability to provide professional care in such unit; and

(I) be based on methods that assure validity and reliability.

"(b) LIMITATION.--A staffing system adopted and implemented under paragraph (1) may not--

(A) set registered-nurse levels below those required by any Federal or State law or regulation; or

(B) utilize any minimum registered nurse-to-patient ratio established pursuant to paragraph (2) as an upper limit on the staffing of the hospital to which such ratio applies.

"(c) REPORTING, AND RELEASE TO PUBLIC, OF CERTAIN STAFFING INFORMATION.--"(1) REQUIREMENTS FOR HOSPITALS.--Each participating hospital shall--

"(A) post daily for each shift, in a clearly visible place, a document that specifies in a uniform manner (as prescribed by the Secretary) the current number of licensed and unlicensed nursing staff directly responsible for patient care in each unit of the hospital, identifying specifically the number of registered nurses;

(B) upon request, make available to the public--"(i) the nursing staff information described in subparagraph (A); and

"(ii) the following data, as applicable, for each unit of the hospital:

..."
“(ii) a detailed written description of the staffing system established by the hospital pursuant to subsection (a); and

(3) R ECORDKEEPING.—Each participating hospital shall maintain for a period of at least 3 years (or, if longer, until the conclusion of pending enforcement activities) such records as the Secretary deems necessary to determine whether the hospital has adopted and implemented a staffing system pursuant to subsection (a).

(4) D ATA COLLECTION ON CERTAIN OUTCOMES.—A participating hospital shall establish procedures for the collection, maintenance, and submission of data by each participating hospital sufficient to establish the link between the staffing system established pursuant to subsection (a) and—

(A) patient acuity from maintenance of acuity data through entries on patients’ charts;

(B) patient outcomes that are nursing sensitive, such as patient falls, adverse drug events, injuries to patients, skin breakdown, pneumonia, infection rates, upper gastrointestinal bleeding, shock, cardiac arrest, length of stay, and patient readmissions;

(C) operational outcomes, such as work-related injury or illness, vacancy and turnover rates, nursing care hours per patient day, on-call use, overtime rates, and needlestick injuries; and

(D) patient complaints related to staffing levels.

(5) EVALUATION.—Each participating hospital shall annually evaluate its staffing system and any other staffing system used to measure staffing ratios to assure ongoing reliability and validity of the system and ratios. The evaluation shall be conducted by a joint management-staff committee comprised of at least 50 percent of registered nurses who provide direct patient care.

(6) ENFORCEMENT.—

(1) RESPONSIBILITY.—The Secretary shall enforce the requirements and prohibitions of this section in accordance with the succeeding provisions of this subsection.

(A) A complaint that a participating hospital has violated a requirement of this section shall be investigated by the Secretary.

(B) such complaints are investigated by the Secretary.

(2) PROCEDURES FOR RECEIVING AND INVESTIGATING COMPLAINTS.—The Secretary shall establish procedures under which—

(A) a complaint that a participating hospital has violated a requirement or a prohibition of this section; and

(B) such complaints are investigated by the Secretary.

(3) REMEDIES.—If the Secretary determines that a participating hospital has violated a requirement of this section, the Secretary—

(A) shall require the facility to establish a corrective action plan to prevent the recurrence of such violation; and

(B) may impose civil money penalties under paragraph (4).

(4) CIVIL MONEY PENALTIES.—

(A) In addition to any other penalties prescribed by law, the Secretary may impose a civil money penalty of not more than $10,000 for each knowing violation of a requirement of this section, except that the Secretary shall impose a civil money penalty of more than $10,000 for each such violation in the case of a participating hospital that the Secretary determines has a pattern or practice of such violations (with the amount of such additional penalties being related to any liability, duty, penalty, or punishment provided by any present or future law of any State or political subdivision of a State, and any such law which purports to require or permit the doing of any act which would be an unlawful practice under this title.

(B) the term ‘adverse employment action’ includes—

(i) the failure to promote an individual or provide any other employment-related benefit for which the individual would otherwise be eligible;
S. 72
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. YEAR-IN-OF-WAR MEDAL FOR CIVILIAN EMPLOYEES OF THE FEDERAL GOVERNMENT.

(a) AUTHORITY TO ISSUE PRISONER-OF-WAR MEDAL.—Section 1128 of title 10, United States Code, is amended by inserting after chapter 23 the following new chapter:

"CHAPTER 25—MISCELLANEOUS AWARDS"


"(a) The President shall issue a prisoner-of-war medal to any person who, while serving with any branch of the Federal Government, was forcibly detained or interned, not as a result of such person’s own willful misconduct—

"(1) by an enemy government or its agents, or a hostile force, during a period of war; or

"(2) by a foreign government or its agents, or a hostile force, during a period other than a period of war in which such person was held under circumstances which the President finds to have been comparable to the circumstances under which members of the armed forces have generally been forcibly detained or interned by enemy governments during periods of war.

"(b) The prisoner-of-war medal shall be of appropriate design, with ribbons and appurtenances.

"(c) Not more than one prisoner-of-war medal may be issued to a person under this section or section 1128 of title 10. However, for each succeeding service that would otherwise justify the issuance of such a medal, the President (in the case of service referred to in subsection (a) of this section) or the Secretary concerned (in the case of service referred to in section 1128(a) of title 10) may issue a suitabledevice to be worn as determined by the President or the Secretary, as the case may be.

"(d) For a person to be eligible for issuance of a prisoner-of-war medal, the person’s conduct must have been honorable for the period of captivity which serves as the basis for the issuance.

"(e) If a person dies before the issuance of a prisoner-of-war medal to which the person is entitled, the medal may be issued to that person’s representative, as designated by the President.

"(f) Under regulations prescribed by the President, a prisoner-of-war medal that is lost, destroyed, or rendered unfit for use without the fault or neglect on the part of the person to whom it was issued may be replaced without charge.

"(g) In this section, the term ‘period of war’ has the meaning given such term in section 101(11) of title 38.

(2) The table of chapters at the beginning of part III of this title, as amended by this section, is further amended by inserting after chapter 23 the following new chapter:

"25. Miscellaneous Awards .................................. 2501".

(b) APPLICABILITY.—Section 2501 of title 5, United States Code, as added by subsection (a), applies with respect to any person who, before April 5, 1917, was forcibly detained or interned as described in subsection (a) of such section.

By Ms. CANTWELL:

S. 73. A bill to promote food safety and to protect the animal feed supply from bovine spongiform encephalopathy, and to amend the Committee on Agriculture, Nutrition, and Forestry.

Ms. CANTWELL. Mr. President, today I am introducing the Animal Feed Protection Act of 2005. It is similar to legislation that I introduced in the 108th Congress.

Last week, during the Senate’s consideration of the nomination of Governor Mike Johanns to be the Secretary of Agriculture, I spoke in favor of exercising caution with respect to re-opening the U.S.-Canadian border to imports of live animals and processed beef products until the Animal Protection Health Inspection Service fully investigates the recent case of Mad Cow in that country. This legislation is important to our ongoing efforts to eradicate the possibility that Mad Cow disease will infect U.S. cattle herds.

My legislation provides necessary enhancements to current Federal feed regulations. It reduces the chance that the riskiest materials, those most likely to transmit Mad Cow disease, cross-contaminate cattle feed or are accidentally fed to cattle.

Specifically, my legislation would ban the inclusion of specified risk materials, or SRM, in all animal feed. Currently these materials are only banned from ruminant feed.

As we continue to negotiate the re-opening of the U.S. beef to U.S. beef, a comprehensive SRM ban is a prudent step. It is necessary to assure our trading partners that we have secured our domestic feed, and eliminated the risk of spreading Mad Cow disease through feed.

As our domestic beef producers continue to suffer from the closure of our largest export markets, I encourage my colleagues to join me by cosponsoring this legislation—a measure that will strengthen our Mad Cow firewalls and our assurances to foreign beef consumers. I also hope that as the Senate Agriculture Committee conducts hearings next month into the appropriate Federal response to the most recent Canadian Mad Cow case, the committee will consider examining this legislation as well. The Senate should move toward its swipe. Mr. President, I ask unanimous consent that a copy 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. 73

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 “Animal Feed Protection Act of 2005”.

SEC. 2. DEFINITIONS.
In this Act:

(1) BSE.—The term “BSE” means bovine spongiform encephalopathy.

(2) COVERED ARTICLES.—

(A) IN GENERAL.—The term “covered article” means—

(i) feed for an animal;

(ii) a nutritional supplement for an animal;

(iii) medicine for an animal; and

(iv) any other article of a kind that is ordinarily ingested, implanted, or otherwise taken into the body of an animal.

(B) EXCLUSIONS.—The term “covered article” does not include—

(i) an unprocessed agricultural commodity that is readily identifiable as nonanimal in origin, such as a vegetable, grain, nut, or oilseed; or

(ii) an article described in subparagraph (A)(i) that, based on compelling scientific evidence, the Secretary determines does not pose a risk of transmitting prion disease; or

(iii) an article regulated by the Secretary that is determined by the Secretary to pose a minimal risk of carrying prion disease; and

(II) is necessary to protect animal health or public health.

(3) SPECIFIED RISK MATERIAL.—

(A) IN GENERAL.—The term “specified risk material” means—

(i) the skull, brain, trigeminal ganglia, eyes, tonsils, spinal cord, vertebral column, or dorsal root ganglia of—

(1) cattle and bison 30 months of age and older; or

(II) sheep, goats, deer, and elk 12 months of age and older;

(ii) the intestinal tract of a ruminant of any age; and

(iii) any other material of a ruminant that may carry a prion disease, as determined by the Secretary, based on scientifically credible research.

(B) MODIFICATION.—The Secretary shall conduct an annual review of scientific research and may modify the definition of specified risk material based on scientifically credible research (including the conduct of ante-mortem and post-mortem tests certified by the Secretary of Agriculture).

(4) SECRETARY.—The term “Secretary” means the Secretary of Health and Human Services.

SEC. 3. PROTECTION OF ANIMAL FEED AND PUBLIC HEALTH.
It shall be unlawful for any person to introduce into interstate or foreign commerce a covered article if the covered article contains—

(1)(A) specified risk material from a ruminant; or

(B) any material from a ruminant that—

(i) was in any foreign country at a time at which there was a risk of transmission of BSE in the country, as determined by the Secretary of Agriculture; and

(ii) may contain specified risk material from a ruminant; or

(2) any material from a ruminant exhibiting symptoms of a neurological disease.

SEC. 4. ENFORCEMENT.
(a) COOPERATION.—The Secretary and the heads of other Federal agencies, as appropriate, shall cooperate with the Attorney General in enforcing this Act.

(b) DUE PROCESS.—Any person subject to enforcement action under this section shall have the opportunity for an informal hearing on the enforcement action as soon as practicable after, but not later than 10 days after, the enforcement action is taken.

(c) REMEDIES.—In addition to any remedies available under other provisions of law, the head of a Federal agency may enforce this Act by—

(1) seizing and destroying an article that is introduced into interstate or foreign commerce in violation of this Act;

(2) issuing an order requiring any person that introduces an article into interstate or foreign commerce in violation of this Act—

(A) to cease operations at the facility at which the article is produced until the head of the appropriate Federal agency determines that the operations are no longer in violation of this Act;
CONGRESSIONAL RECORD — SENATE

January 24, 2005

S. 75. A bill to permanently increase the maximum annual contribution allowed to be made to Coverdell education savings accounts; to the Committee on Finance.

Ms. CANTWELL. Mr. President, today I am introducing two pieces of legislation to help families save for their children’s education.

In today’s global marketplace, ensuring access to high-quality education—starting in early childhood and grade school, continuing on to college and beyond—is central in maintaining America’s competitive edge. To make paying for school easier, I am introducing two pieces of legislation that would expand Coverdell Education Savings Accounts or ESAs: The Education Savings for Students Act and College Savings Act.

Coverdell ESAs are trusts created solely for the educational benefit of any child under the age of 18. Contributions to a Coverdell Education Savings account can be used toward a child’s education from kindergarten through 12th grade, college, and even graduate school. All earnings in the account grow tax-free and can be withdrawn on a tax-deferred basis, if used for educational expenses. Currently, annual contributions to a Coverdell ESA cannot exceed $2,000. But this particular provision will sunset on 12/31/2010 unless Congress takes action to extend it, otherwise the maximum contribution will drop back to a previously set stipulation of $500.

My bill, the Education for Students Act would expand the existing Coverdell ESA by permanently increasing the maximum annual contribution from $2,000 to $5,000. This bill keeps the current Coverdell ESA provision that investment earnings accumulate tax-free and withdrawals from the account are tax-exempt when the child uses the funds for school.

My other bill, the College Savings Act would also permanently increase the maximum annual contribution to a Coverdell ESA to $5,000. Instead of anticipating future earnings, families would be able to deduct the amount they contribute to their education savings account from income.

Rather than putting away money ad-hoc, both bills provide a financial incentive to save for college or other educational expenses. And since there is no limit on the number of Coverdell ESAs that may be opened for child under age 18, parents have the flexibility to set aside money now through deductible contributions or bank on projected savings through tax-deferred earnings and withdrawals, or even take on both options. The College Savings and Education Savings for Students Acts will help families plan for future educational expenses, paving a path to financial self-sufficiency.

I understand that all families are different. Saving for college may be the last thing on a parent’s mind, especially when their child is young and their family has significant financial needs. But just as fast as our children
grow, so does the cost of tuition. Mounting prices for books and materials, plus room and board have made colleges and universities less affordable for most families.

College is expensive. There are many parents whose children aim to go to college, but soon discover they can’t afford it because the price of pursuing a higher education costs too much. If the College Savings and Education for Students Acts became law, families would have another powerful tool to help their children realize their educational dreams.

By saving money early and often, families won’t feel as hard hit by skyrocketing college prices because you’ll know what’s coming in and what’s going out of these accounts.

In 2002, the National Center for Public Policy and Higher Education reported on the national trends of rising college prices. The Center determined that if educational costs are not addressed, we could all be affected by consequences for expanding students’ opportunities to pursue a higher education and future career.

This report found that over the last two decades, the cost of attending two- and four-year public and private colleges have not only grown more rapidly than inflation, but faster than family incomes, increasing the share of family income that is needed to pay for tuition and other college expenses. From 1991 through 2001, tuition at four-year public colleges and universities rose faster than family income in 41 states, including my home state of Washington.

The Washington State Higher Education Coordinating Board reports that, over the last ten years, tuition and fees have far outpaced family income, increasing 89 percent compared to 51 percent in per capita personal income in my state. In comparison, the cost of health care, food, and clothing increased an average of 20 percent during the same time. Per capita personal income in Washington increased 51 percent during this same period.

As a result, more students and families at all income levels are borrowing more money than ever before to pay for college. According to a recent study by the College Board, nonfederal borrowing reached $11.3 billion in 2003-04, up 39 percent over the previous year, and jumped 55 percent over five years. Over $10 billion of these loans are private. Over the past five years, borrowing through banks and other private lenders has increased from 7 percent to 16 percent of education loan volume.

Although borrowing is an acceptable way to pay for college, the financial consequences of high debt can still ensue, and students spend years paying back loans, undermining their ability to pursue a home or save for retirement. Additionally, college students often graduate from college with about $3,300 in credit card debt alone. Concern about the increase in educational loan debt may cause students to spend more time working than attending class or to opt out of enrolling in college altogether.

Moreover, the steepest increases in college and university tuition have been imposed during times of greatest economic hardship. Just in the past three years, our economy has experienced a loss of 1.8 million private sector jobs and 2.7 million manufacturing jobs. Preparing America’s workforce and keeping up with the demand for skilled workers across all sectors of the 21st century talent priority. If we want to maintain our economic competitiveness, it is imperative that there are opportunities for individuals to fully take advantage of educational opportunities.

The Bureau of Labor Statistics reports that six of the ten fastest-growing occupations in the U.S. economy require an associate’s degree or bachelor’s degree, and that all ten of these careers will require some type of skills obtained while in college. Every job growth will require some form of post-secondary education.

On average, a college graduate earns nearly 73 percent more than a typical high school graduate. In 2003, the average worker in the U.S. with a four-year college degree earned just under $50,000, over 60 percent more than the $30,800 earned by the average worker with a high school diploma, reports the College Board. Those with advanced degrees earned even more, as much as high school graduates. In addition, society reaps the benefits of an educated workforce by improving quality of life and overall, the well-being of our communities.

Affordability is key to expanding opportunities to go to college. Saving for college early and often will help lift the pressures off of parents who are feeling the financial squeeze of increased tuition and fees.

Because most families are qualified for financial aid, I was able to work my way through college using Pell grant funding. But there are many families who do not qualify for Pell or other sources of financial aid.

For these families, Coverdell Education Savings plans provide necessary relief for the middle class. The purpose of education savings plans are to increase saving by increasing net returns. Today, parents can put up to $2,000 a year into Coverdell Education Savings accounts. The actual contribution is not tax deductible, but all earnings in this account are free from taxes when they are withdrawn to pay for school.

However, the current $2,000 annual limit on Coverdell contributions will be repealed in 2010 unless Congress acts to extend it. If we don’t extend the contribution level, the maximum contribution will drop to $500.

While the current tax benefit makes it easier to save for college, the Education Savings for Students Act would increase the annual contributions from $2,000 to $5,000; making this change per-

manent ensures greater savings for families. By increasing the amount parents can put aside for their children’s college savings, middle-income parents will be able to save more easily for their child’s college education.

Say, for example, parents start saving for their child when they are 18 years old. If they put away just $100.00 a month—at an interest rate of savings of four percent—by the time their kid turns 18, their account would have earned more than $12,400 in interest. Parents will save over $3,100 in taxes when that child is old enough to go to school.

In addition to projected savings, parents also have the option to save now. The College Savings Act would allow families to deduct Coverdell ESA contributions from their taxes each year.

Mr. President, both of these bills, the College Savings Act and the Education Savings for Students Act are financial incentives for people to save by allowing families to deduct the amount they contribute to these savings vehicles when their child is ready to go to school. These bills would further lessen the financial burden that parents bear by saving money early and often.

Permanently expanding the Coverdell maximum contribution from its current threshold of $2,000 to $5,000 a year and allowing this contribution to be tax deductible is a common-sense savings vehicle that keeps future college costs from spinning out of control. Increasing contribution caps will make school more affordable at a time when a college education and advanced job training is becoming more and more important for economic success.

I urge my colleagues to support these measures and I ask unanimous consent that the full text of these bills be printed in the RECORD.

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

S. 75
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 “The Education Savings for Students Act of 2005”.

SEC. 2. INCREASE IN MAXIMUM ANNUAL CONTRIBUTION FOR COVERDELL EDUCATION SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 530(b)(1)(A)(ii) of the Internal Revenue Code of 1986 (defining Coverdell education savings account) is amended by striking “$2,000” and inserting “$5,000”.

(b) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) of the Internal Revenue Code of 1986 is amended by striking “$2,000” and inserting “$5,000”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

S. 76
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 “The College Savings Act of 2005”.
SEC. 2. INCREASE IN MAXIMUM ANNUAL CONTRIBUTION FOR COVERED EDUCATION SAVINGS ACCOUNTS.

(a) In General—Section 530(b)(1)(A)(i)(II) of the Internal Revenue Code of 1986 (defining Covered education savings account) is amended by striking "$2,000" and inserting "$5,000".

(b) Conforming Amendment.—Section 4973(e)(1)(A) of the Internal Revenue Code of 1986 is amended by striking "$2,000" and inserting "$5,000".

(c) Effective Date.—The amendments made by this section shall apply to tax years beginning after December 31, 2006.

SEC. 3. EDUCATION SAVINGS ACCOUNTS.

(a) Deduction Allowance.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 224 as section 225 and inserting after section 225 the following new section:

"SEC. 224. EDUCATION SAVINGS.

"(a) Deduction Allowance.—In the case of an individual, there shall be allowed as a deduction an amount equal to the amount of contributions made by such individual to an education savings account during the taxable year.

"(b) Definitions.—

"(1) The term ‘education savings account’ means a trust created or organized in the United States exclusively for the purpose of paying the qualified education expenses of an individual who is the designated beneficiary of the trust (and designated as an education savings account at the time created or organized), but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted—

"(i) unless it is in cash,

"(ii) if it is in property on which such beneficiary attains age 18, or

"(iii) except in the case of rollover contributions described in subsection (e)(4), if such contribution would result in aggregate contributions for the taxable year exceeding $5,000.

"(B) The trustee is a bank (as defined in section 3401) or another person who satisfies to the satisfaction of the Secretary the manner in which that person will administer the trust will be consistent with the requirements of this section or who has so demonstrated with respect to any individual retirement plan or any Coverdell education savings account.

"(C) A part of the trust assets will be invested in life insurance contracts.

"(D) The assets of the trust shall not be commingled with other property except in a common trust fund or common investment fund.

"(E) Except as provided in subsection (e)(6), any balance to the credit of the designated beneficiary at the time the beneficiary attains age 30 shall be distributed within 30 days after such date to the beneficiary or, if the beneficiary dies before attaining age 30, shall be distributed within 30 days after the date of death of such beneficiary.

"(F) The age limitations in subparagraphs (A)(ii) and (E), and paragraphs (4) and (5) of subsection (e), shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).

"(G) Qualified education expenses.—The term ‘qualified education expenses’ has the meaning given such term in section 529(b)(2).

"(H) Excess contributions.—Rules similar to the rules of paragraphs (2) and (4) of section 529(c) shall apply for purposes of this section.

"(I) Treatment of distributions.—

"(1) In general.—Any distribution shall be includable in the gross income of the distributee in the manner as provided in section 72.

"(2) Special rules for applying estate and gift taxes with respect to account.—In applying the preceding sentence, members of the family (as defined in section 752) of the designated beneficiary are treated in the same manner as the spouse of such a person.

"(b) Modifications to distributions.—

"(1) In general.—The maximum amount which a contributor could otherwise make to an account under this section shall be reduced by an amount which bears the same ratio to such maximum amount as—

"(A) the excess of—

"(i) the contributor’s modified adjusted gross income for such taxable year, over

"(ii) $50,000 ($100,000 in the case of a joint return), bears to

"(B) $15,000 ($30,000 in the case of a joint return).

"(2) Modified adjusted gross income.—For purposes of paragraph (1), the term ‘modified adjusted gross income’ means the adjusted gross income of the taxpayer for the taxable year reduced by any contribution included from gross income under sections 911, 931, or 933.

"(c) Treatment of Accounts.—

"(1) In general.—An education savings account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

"(2) Account Terminations.—Rules similar to the rules of paragraphs (2) and (4) of section 529(c) shall apply for purposes of this section.

"(d) Tax Treatment of Accounts.—

"(1) In General.—The maximum amount of the payment or distribution does not exceed the costs of advanced education (as defined by section 2005(e)(3) of title 10, United States Code, as in effect on the date of the enactment of this section) attributable to such educational expenses.

"(2) Contributions returned before certain date.—Subparagraph (A) shall not apply to the distribution of any contribution made during a taxable year on behalf of the designated beneficiary if—

"(i) such distribution is made before the first day of the sixth month of the taxable year following the taxable year, and

"(ii) such distribution is accompanied by the amount of net income attributable to such excess contribution.

"Any net income described in clause (i) shall be included in gross income for the taxable year in which such excess contribution was made.

"(3) Rollover contributions.—Paragraph (1) shall not apply to any amount paid or distributed from an education savings account to the extent that the amount received is paid, not later than the 60th day after the date of such payment or distribution, into another education savings account for the benefit of the same beneficiary or a member of the family (within the meaning of section 752) of such beneficiary not attained age 30 as of such date. The preceding sentence shall not apply to any payment or distribution if it is applied to any prior payment or distribution during the 12-month period ending on the date of the payment or distribution.

"(e) Change in Beneficiary.—Any change in the beneficiary of an education savings account shall not be treated as a distribution for purposes of paragraph (1) if the new beneficiary is a member of the family (as so defined) of the designated beneficiary and is not attained age 30 as of such date.

"(f) Special Rules for Death and Divorce.—Rules similar to the rules of paragraph (7) and (8) of section 220(f) shall apply in applying the preceding sentence, members of the family (as so defined) of the designated beneficiary shall be treated in the same manner as the spouse under such paragraph.

"(g) Deemed Distribution on Required Distribution Date.—In applying the preceding sentence, a distribution is required under subsection (b)(1)(E), any balance to the credit of a designated beneficiary as of the close of the 30-day period referred to in such subsection for making such distribution shall be deemed distributed at the close of such period.

"(h) Tax on Excess Contributions.—

"(1) In General.—Subsection (a) of section 4973 of the Internal Revenue Code of 1986 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ‘or’ at the end of paragraph (4), by inserting ‘or’ at the end of paragraph (5), and by inserting after paragraph (5) the following new paragraph:

"(6) an education savings account (as defined in section 224)."

"(2) Excess Contribution.—Section 4973 of such Code is amended by adding at the end the following new subsection:

"(b) Excess Contributions to Education Savings Accounts.—For purposes of this section—

"(1) In general.—In the case of education savings accounts maintained for the benefit of any one beneficiary, the term ‘excess contributions’ means the excess of—

"(A) the amount by which the amount contributed for the taxable year to such account exceeds $5,000 (or, if less, the sum of the maximum amount which could be contributed under section 224(e)(2)(B) by the contributor to such accounts for such year); and
“(B) the amount determined under this subsection for the preceding taxable year, re-
duced by the sum of:

(i) the distributions out of the accounts for the taxable year (other than distribu-
tions described in section 224(e)(4)); and

(ii) the excess (if any) of the maximum amount which may be contributed to the ac-
count by any person over the amount that has been contributed to the accounts for the taxable year.

(2) SPECIAL RULE.—For purposes of para-
graph (1), the following contributions shall
not be taken into account:

(A) Any contribution which is distributed
out of the education savings account in a
distribution to which section 224(c)(5)(C) ap-
plies.

(B) Any rollover contribution.

(c) FAILING TO PROVIDE REPORTS ON
EDUCATION SAVINGS ACCOUNTS.—Paragraph (2) of
section 6693(a) of the Internal Revenue Code of
1986 (relating to failure to provide reports
on individual retirement accounts or accoun-
tabilities) is amended by striking “and” at the
end of subparagraph (D), by striking the pe-
eriod at the end of subparagraph (E) and in-
serting “or” in its place, and by striking at the end of
the following new subparagraph:

“(F) section 224(b)(3)(E) (relating to edu-
cation savings accounts).”

(d) TECHNICAL AMENDMENT.—The table of
section for part VII of subchapter B of chap-
ter 1 of the Internal Revenue Code of 1986 is
amended by striking the item relating to
section 224 and inserting the following new items:

“Sec. 224. Education savings.
Sec. 225. Cross reference.”

(e) REPORTS FROM MEMBERS.—The amend-
ments made by this section shall apply to con-
tributions made in taxable years beginning after

By Mr. SESSIONS (for himself
and Mr. LIEBERMAN):
S. 77. A bill to amend titles 10 and 38,
United States Code, to improve death
benefits for the families of deceased
members of the Armed Forces, and for
other purposes; to the Committee
on Armed Services.

Mr. SESSIONS. Mr. President, I want
to take a few minutes to discuss legisla-
tion I have been working on with Senator
LIEBERMAN and I believe 15
other cosponsors called the HEROES
Act of 2005, the Honoring Every Re-
quirement of Exemplary Service Act,
that will increase substantially the
depth benefits provided to the families of
our service personnel who lose their
lives in service to their country. I see
Senator ALLEN. I know he deeply cares
about this issue. We are working to-
gether on this same idea.

Fundamentally, this bill would raise
the basic death benefit from $12,420 to
$100,000. It will raise the servicemen’s
group life insurance payment from
$250,000 to $400,000. Senator LIEBERMAN
and I, all of us in this body believe we
need to make sure that our service-
men’s families are well taken care of if
something were to happen to them.

I am very pleased that Senator FRIST
on Friday made this part of his leader-
ship package and that Senator JOHN
WARNER, chairman of the Armed Serv-
ces Committee, promised quick action
in the committee on the subject. And I
am very pleased that the Defense De-
partment has worked with us in help-
ing to craft this legislation, actually
supports it and the funding it will re-
quire.

I asked last year about it when our
defense bill moved. When no consensus
was reached as that bill was moving,
we put in the legislation a requirement
that the DOD work with the Congress
to develop a plan to improve death ben-
efits, and they have done so. It is the
right thing to do.

Just last May, I was in Iraq. I had
the ability to travel throughout that
country, and we flew back from Bagh-
dad to Kuwait about 9 or 10 that night.
On the C-130 in which we flew back, in
the bay of that great aircraft were two
flag-draped coffins of American service
personnel who had given their life to
their country. There should be no
doubt in any soldier’s mind that if
something happens to them while in
service to their country, their family
will be well taken care of. The Amer-
ican people expect that. I believe the
people in this Congress will support
that.

This legislation needs to be passed
promptly. I am proud that Senator
WARNER and I have indi-
cated they would accelerate it and do
what they can to see that it does be-
come law. I look forward to working
with Senator LIEBERMAN and my fellow
Senators to move this bill to final pas-
sage.

I see the chairman of Armed Serv-
ces, Senator WARNER. I express my ap-
preciation to him for his commitment
to do what he can to move this bill for-
ward promptly.

Mr. President, I thank my colleague for his thoughtful
remarks. I so commit to do that.

Ms. SNOWE. Mr. President, Amer-
ica’s finest citizens and the world’s
greatest military men and women con-
tinue to put themselves in harm’s way
in support of the ideals of freedom
and democracy in Iraq and Af-
ghanistan. They also are helping mil-
ions throughout South and Southeast
Asia to recover from the devastating
tsunami that destroyed so many lives.

These great Americans have made a
commitment to serve this country
come what may. They are prepared to
make the ultimate sacrifice with the
knowledge that in doing so, they are
defending the security of our Nation
and advancing the very ideals upon
which this great country was founded.

Just as these men and women have
agreed to make this commitment, so
too must we commit to supporting
the families of these soldiers who give the
“last, full measure of devotion” for us.

It is the very least we can do to provide
a greater degree of peace of mind to
our service men and women, who
should always know and trust that a
grateful America will stand with and
support their family members should
tragedy strike.

It is in recognition of their extraor-
dinary selflessness that I join my col-
leagues, Mr. SESSIONS, Mr. LIEBERMAN
and others in cosponsoring the HE-
ROES Act of 2005. Although Congress
last year raised the amount offered to
families following the death of a serv-
iceman or woman for the first time in
over a decade, I continue to believe
that even that amount is an inade-
quately level of support in this day and
age.

For decades, we offered a nominal
amount of between $800 and $3,000,
depending upon rank, for immediate ex-
penses to surviving family members
upon the death of a member of our
armed forces. In the wake of the 1991
Gulf War, Congress raised this to a flat
$6,000, of which half was subject to in-
come tax. Finally, we raised that to
$12,000, made the entire amount tax-
free, and tied future increases to the
annual increase in base pay.

Of course, no amount of money can
replace the loved ones that are lost in
combat. It’s an unimaginable loss
deeply felt by the families of our sol-
diers remains woefully inadequate to try
to begin to address the immediate costs
of funeral arrangements, the loss of what
may in most cases be the primary wage
earner in the family and the additional
costs associated with the loss of a
mother, father, or spouse.

When one considers how long it may
take for a family to regain its footing,
how surviving family members may
need to move out of military-provided
housing and to secure private housing
elsewhere, how a surviving spouse may
need to search for employment to sup-
port his or her family, and how long it
may take for insurance benefits to be
paid out, this improvement in benefits
is the very least we can do to alleviate
the burdens and financial worry that
come with such a loss.

I ask you to support raising the
amount to $100,000, in addition to
increasing the maximum benefit of the
Servicemen’s Group Life Insurance pol-
icy from $250,000 to $400,000, as this bill
does.

In acknowledgment of and apprecia-
tion for the sacrifices of our brave men
and women in uniform, I hope that we
can all agree on the need to help ensure
that the futures of their children are
secure should they sacrifice their
lives in combat.

It is for the sake of our brave service-
men and women and the families who
depend on them that we introduce this
legislation and for them that I urge
full support.

By Mrs. HUTCHISON (for herself,
Mr. BROWNBACK, Mr. CORNYN,
Mr. BUNNING, Mr. BURNS, Mr.
HAGEL, and Mr. ENSIGN):
S. 78. A bill to make permanent mar-
rage penalty relief; to the Committee
on Finance.

Ms. HUTCHISON. Mr. President I am
pleased to introduce a bill to provide
permanent tax relief from the marriage penalty—the most egregious, anti-fami-
ly provision that has been in the tax code. One of my highest priorities in the
U.S. Senate has been to relieve American taxpayers of this punitive burden.

Over the past four years we have made important strides to eliminate this unfair tax and provide marriage penalty relief by raising the standard deduction and enlisting the 15 percent tax bracket for married joint filers to twice the single filers. Before these provisions were changed, 44 million married couples, including 2.4 million Texas families, paid an average penalty of \$1,480.

Enacting marriage penalty relief has been a giant step for tax fairness, but it may be fleeting. Even as married couples use the money they now save to put food on the table and clothes on their children, a tax increase looms in the future. Since the 2001 tax relief bill was restricted, the marriage penalty provisions of the Bush tax relief bill will be in effect through 2010. In 2011, marriage will again be a taxable event and 43 percent of married couples will again pay more in taxes unless we act decisively.

Given the challenges many families face in making ends meet, we must make sure we do not backslide on this important reform.

The benefits of marriage are well established, yet, without marriage pen-
alty relief, the tax code provides a significant disincentive for people to walk
down the aisle. Marriage is a funda-
mental institution in our society and should not be discouraged by the IRS.
Children living in a married household are far less likely to live in poverty or
to suffer from child abuse. Research indi-
cates they are less likely to be de-
pressed or have developmental prob-
lems. Scourges such as adolescent drug use are less common in married fami-
lies, and married mothers are less like-
to be victims of domestic violence.

We should celebrate marriage, not penalize it. The bill I am offering
would direct the Secretary to the Army to determine whether certain nationals
of the Philippine Islands performed military service on behalf of the United States during World War II.

Mr. President, our Filipino veterans fought side by side with Americans and
sacri
cified their lives on behalf of the United States. This legislation would
confirm the validity of their claims and further allow qualified individuals
the opportunity to apply for military and veterans benefits that, I believe, they are entitled to. As this population
becomes older, it is important for our nation to extend its firm commitment to the Filipino veterans and their fami-
lies who participated in making us the greatest nation in the world.

Mr. President, I ask unanimous con-
sent that the text of my bill be printed in the REC
ORD.

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

S 79

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

SECTION 1. DETERMINATIONS BY THE SEC-
RETARY OF THE ARMY.

(a) In General.—Upon the written applica-
tion of any person who is a national of the
Philippine Islands, the Secretary of the
Army shall determine whether such person
performed any military service in the Phil-
ippine Islands in aid of the Armed Forces of
the United States during World War II which qualifies such person to receive any mili-
tary, veterans’, or other benefits under the
laws of the United States.

(b) INFORMATION TO BE CONSIDERED.—In
making a determination for the purpose of
subsection (a), the Secretary shall consider
all information and evidence (relating to
service referred to in subsection (a)) that is
available to the Secretary, including infor-
mation and evidence submitted by the appli-
cant, if any.

SEC. 2. CERTIFICATE OF SERVICE.

(a) Issuance of Certificate of Service.—
The Secretary of the Army shall issue a cer-
tificate of service to each person determined
by the Secretary to have performed military
service described in section 1.

(b) EFFECT OF CERTIFICATE OF SERVICE.—A
certificate of service issued to any person
under subsection (a) shall, for the purpose of
any law of the United States, conclusively
establish the period, nature, and character of
the military service described in the certifi-
cate.

SEC. 3. APPLICATIONS BY SURVIVORS.

An application submitted by a surviving
spouse, child, or parent of a deceased person
described in section 1(a) shall be treated as
an application submitted by such person.

SEC. 4. LIMITATION ON APPLICABILITY.

The Secretary of the Army may not con-
sider for the purpose of this Act any applica-
tion received by the Secretary more than
two years after the date of the enactment
of this Act.

SEC. 5. PROSPECTIVE APPLICATION OF DETER-
MINATIONS BY THE SECRETARY OF
THE ARMY.

No benefits shall accrue to any person for
any period before the date of the enactment
of this Act as a result of the enactment
of this Act.

SEC. 6. REGULATIONS.

The Secretary of the Army shall prescribe
regulations to carry out sections 1, 3, and 4.

SEC. 7. RESPONSIBILITY OF THE SECRETARY
OF VETERANS AFFAIRS.

Any entitlement of a person to receive vet-
erans’ benefits by reason of this Act shall
be administered by the Secretary of veterans
Affairs pursuant to regulations prescribed by
the Secretary of Veterans Affairs.

SEC. 8. DEFINITION.

In this Act, the term “World War II” means
the period beginning on December 7, 1941,
and ending on December 31, 1946.

By Mr. INOUYE:

S. 80

A bill to restore the traditional
day of observance of Memorial Day,
and for other purposes; to the Com-
mittee on the Judiciary.

Mr. INOUYE. Mr. President, in our
effort to accommodate many Ameri-
cans by making Memorial Day the last
Monday in May, we have lost sight of
the significance of this day to our na-
ton. My bill would restore Memorial
Day to May 30 and authorize our flag to
fly at half mast on that day. In addi-
tion, this legislation would authorize
the President to issue a proclamation
designating Memorial Day and Vet-

mercies. This legislation would help re-
store the recognition our veterans de-
serve for the sacrifices they have made
on behalf of our Nation.

Mr. President, I ask unanimous con-
sent that the text of my bill be printed
in the RECORD.

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

S 80

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

SECTION 1. REDEMPTION OF TRADITIONAL DAY
OF OBSERVANCE OF MEMORIAL DAY.

(a) DESIGNATION OF LEGAL PUBLIC HOLIDAY.
—Section 6103(a) of title 5, United States

Code, is amended by striking “Memorial
Day, the last Monday in May.” and inserting
the following:

“Memorial Day, May 30.”

(b) OBSERVANCES AND CEREMONIES.—Sec-

tion 116 of title 36, United States Code, is

amended—

(1) in subsection (a), by striking “The last

Monday in May” and inserting “May 30”;

and

(2) in subsection (b)—

(A) by striking “and” at the end of para-

graph (3);

(B) by redesignating paragraph (4) as para-

graph (5); and

(C) by inserting after paragraph (3) the

following new paragraph (4):

“(4) calling on the people of the United

States to observe Memorial Day as a day of
commemoration for showing respect for American veterans of wars and other military con-

flicts; and”.

Mr. President, I ask unanimous con-
sent that the text of my bill be printed
in the RECORD.

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

S. 79

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Permanent
Marriage Penalty Relief Act of 2005”.

SEC. 2. REPEAL OF SUNSET ON MARRIAGE PEN-
ALTY RELIEF.

Title IX of the Economic Growth and Tax

Relief Reconciliation Act of 2001 (relating to
sunset of provisions of such Act) shall not apply
to sections 301, 302, and 303 of such Act
(relating to marriage penalty relief).

By Mr. INOUYE:

S. 79. A bill to require the Secretary of the
Army to determine the validity of
the claims of certain Filipinos that
they performed military service on be-
half of the United States during World
War II; to the Committee on Veterans’
Affairs.

Mr. INOUYE. Mr. President, I re-
introducing legislation today that
would direct the Secretary of the Army
to determine whether certain nationals
of the Philippine Islands performed
military service on behalf of the United States during World War II.

Mr. President, our Filipino veterans
fought side by side with Americans and
sacrificed their lives on behalf of the
United States. This legislation would
confirm the validity of their claims and further allow qualified individuals
the opportunity to apply for military
and veterans benefits that, I believe,
they are entitled to. As this population
becomes older, it is important for our
nation to extend its firm commitment
to the Filipino veterans and their fami-
lies who participated in making us the
great nation in the world.

Mr. President, I ask unanimous con-
sent that the text of my bill be printed
in the RECORD.

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

S. 79

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

SECTION 1. RESTORATION OF TRADITIONAL DAY
OF OBSERVANCE OF MEMORIAL DAY.

(a) DESIGNATION OF LEGAL PUBLIC HOLIDAY.
—Section 6103(a) of title 5, United States

Code, is amended by striking

“Memorial Day, the last Monday in May.” and inserting
the following:

“Memorial Day, May 30.”

(b) OBSERVANCES AND CEREMONIES.—Sec-

tion 116 of title 36, United States Code, is

amended—

(1) in subsection (a), by striking “The last

Monday in May” and inserting “May 30”;

and

(2) in subsection (b)—

(A) by striking “and” at the end of para-

graph (3);

(B) by redesignating paragraph (4) as para-

graph (5); and

(C) by inserting after paragraph (3) the

following new paragraph (4):

“(4) calling on the people of the United

States to observe Memorial Day as a day of
commemoration for showing respect for American veterans of wars and other military con-

flicts; and”.

Mr. President, I ask unanimous con-
sent that the text of my bill be printed
in the RECORD.

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

S. 79

Be it enacted by the Senate and House of Repre-
sentatives of the United States of America in
Congress assembled,
The Congress did not intend to have the tax applied to air tour operators, who utilize our system of airways differently. Our national transportation system receives little or no benefit from aerial sightseeing operations. Air tour operations are not scheduled commercial airlines. They are for entertainment purposes and are circular, in that they begin and end at the same destination point.

Accordingly, I urge my colleagues to support my bill, which would amend the Internal Revenue Code of 1986 to exempt certain sightseeing trips from the air transportation excise tax. Under my bill, air tour operations would still be subject to the aviation fuel excise tax.

I ask unanimous consent that the text of my bill be printed in the RECORD. There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 84

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

SECTION 1. CERTAIN SIGHTSEEING FLIGHTS EXEMPT FROM TAXES ON AIR TRANSPORTATION.

(a) In General.—Section 4281 of the Internal Revenue Code of 1986 (relating to small air tour operators) is amended by adding at the end the following new subsection:

(b) Effective Date.—The amendment made by this section shall apply to distributions after the date of the enactment of this Act.

By Mr. INOUYE:

S. 81. A bill to amend the Internal Revenue Code of 1986 to exempt certain sightseeing flights from taxes on air transportation; to the Committee on Finance.

Mr. INOUYE. Mr. President, I rise to introduce a bill that would amend the Internal Revenue Code of 1986 to exempt certain sightseeing flights from the air transportation excise tax. A clarifying amendment to the Tax Code is needed due to a problem that exists in the application of the excise tax.

In 1998, the Internal Revenue Service (IRS), issued a Private Letter Ruling in which it exempted one Hawaiian-based air tour operator from paying the air passenger transportation excise tax, but has not applied equal treatment to other similarly situated aerial sightseeing tour operators. It is my belief that the IRS should be consistent in its application of this excise tax.
to transportation beginning on or after the date of the enactment of this Act, but shall not apply to any amount paid before such date.

By Mr. INOUYE:

S. 87. A bill to recognize the organization known as the National Academies of Practice; to the Committee on the Judiciary.

Mr. INOUYE. Mr. President today I am introducing legislation that would provide a federal charter for the National Academies of Practice. This organization represents outstanding health care professionals who have made significant contributions to the practice of applied psychology, medicine, dentistry, nursing, optometry, osteopathic medicine, pharmacy, podiatry, social work, and veterinary medicine. When fully established, each of the ten academies will possess 15 distinguished practitioners selected by their peers. This umbrella organization will be able to provide the Congress of the United States and the executive branch with considerable health policy expertise from the perspective of those individuals who are in the forefront of actually providing health care.

As we continue to grapple with the many complex issues surrounding the delivery of health care services, it is clearly in our best interest to ensure that the Congress has direct and immediate access to the recommendations of an interdisciplinary body of health care practitioners.

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

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

S. 87

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

SECTION 1. SHORT TITLE.
This Act may be cited as the “National Academies of Practice Recognition Act of 2005”.

SEC. 2. CHARTER.

The National Academies of Practice organized and incorporated under the laws of the District of Columbia, is hereby recognized as such and is granted a Federal charter.

SEC. 3. CORPORATE POWERS.

The National Academies of Practice (referred to in this Act as the “corporation”) shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State in which it is incorporated and subject to the laws of such State.

SEC. 4. OBJECTIVES AND PURPOSES OF THE CORPORATION.

The objectives and purposes for which the corporation is organized shall be for in the articles of incorporation and shall include the following:
(1) Honoring persons who have made significant contributions to the practice of applied psychology, medicine, dentistry, nursing, optometry, osteopathy, pharmacy, podiatry, psychology, social work, veterinary medicine, and other health professions by disseminating information about new techniques and procedures, promoting interdisciplinary practices, and stimulating multidisciplinary exchange of scientific and professional information.
(2) Improving the effectiveness of such professions by disseminating information about

(c) RIGHT TO INSPECT BOOKS AND RECORDS.—All books and records of the corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time.

SECT. 5. SERVICE OF PROCESS.

With respect to service of process, the corporation shall be subject to the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 6. MANNER OF ELECTION OF OFFICERS.

Eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the bylaws of the corporation.

SEC. 7. BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES.

The composition and the responsibilities of the board of directors of the corporation shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 8. OFFICE OF THE CORPORATION.

The officers of the corporation and the election of such officers shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 9. RESTRICTIONS.

(a) USE OF INCOME AND ASSETS.—No part of the income or assets of the corporation shall inure to any member, officer, director, or any constituent of the corporation or be distributed to any such person during the life of the charter under this Act. Nothing herein shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) LOANS.—The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) POLITICAL ACTIVITY.—The corporation, any officer, or any director of the corporation, acting as such officer or director, shall not make any contributions or expenditures in connection with any political activity or in any manner attempt to influence legislation.

(d) ISSUANCE, INTEREST AND PAYMENT OF DIVIDENDS.—The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) CLAIMS FOR FEDERAL APPOVAL.—The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

(f) FEDERAL ADVISORY ACTIVITIES.—While providing advice to Federal agencies, the corporation shall be subject to the Federal Advisory Committee Act (5 U.S.C. Appendix; 46 stat. 1079).

SEC. 10. LIABILITY.

The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

SEC. 11. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS.

(a) BOOKS AND RECORDS OF ACCOUNT.—The corporation shall maintain complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors.

(b) NAMES AND ADDRESSES OF MEMBERS.—The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the corporation.

By Mr. INOUYE:

S. 88. A bill to allow the psychiatric or psychological examinations required under chapter 313 of title 18, United States Code, relating to offenders with mental disease or defect, to be conducted by a clinical social worker; to the Committee on the Judiciary.

Mr. INOUYE. Mr. President, today I introduce legislation to amend Title 18 of the United States Code to allow our Nation’s clinical social workers to use their mental health expertise on behalf of the federal judiciary by conducting psychological and psychiatric exams.

I feel that the time has come to allow our Nation’s judicial system to have access to a wider pool of behavioral science and mental health expertise. I am confident that the enactment of this legislation would be very much in our Nation’s best interest.

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

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

S. 88

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 “Psychiatric and Psychological Examinations Act of 2005”.

SEC. 2. EXAMINATIONS BY CLINICAL SOCIAL WORKERS.

Section 4247(b) of title 18, United States Code, is amended, in the first sentence, by striking “psychiatrist or psychologist” and inserting “psychiatrist, psychologist, or clinical social worker”.

By Mr. INOUYE:

S. 89. A bill to amend title VII of the Public Health Service Act to make certain graduate programs in professional
psychology eligible to participate in various health professions loan programs; to the Committee on Health, Education, Labor, and Pensions.

Mr. INOUYE. Mr. President, I rise to introduce legislation today to modify Title VII of the Public Health Service Act in order to provide students enrolled in graduate psychology programs with the opportunity to participate in various health professions loan programs.

Providing students enrolled in graduate psychology programs with eligibility for financial assistance in the form of loans, loan guarantees, and scholarships will facilitate a much-needed infusion of behavioral science expertise into our community of public health providers. There is a growing recognition of the valuable contribution being made by psychologists toward solving some of our Nation’s most distressing problems.

The participation of students from all backgrounds and clinical disciplines is vital to the success of health care training. The Title VII programs play a significant role in providing financial support for the recruitment of minorities, women, and individuals from economically disadvantaged backgrounds. Minority therapists have an advantage in the provision of critical services to minority populations because often they can communicate with clients in their own language and cultural framework. Minority therapists are more likely to work in community settings where ethnic minority and economically disadvantaged individuals are most likely to seek care. It is critical that continued support be provided for the training of individuals who provide health care services to underserved communities.

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

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

S. 90

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. Any Act may be cited as the “National Center for Social Work Research Act”.

SEC. 2. FINDINGS. Congress finds that—

(1) social workers focus on the improvement of individual and family functioning and the creation of effective health and mental health prevention and treatment interventions in order for individuals to become more productive members of society;

(2) social workers provide front line prevention and treatment services in the areas of school violence, aging, teen pregnancy, child abuse, domestic violence, juvenile crime, and substance abuse, particularly in rural and underserved communities; and

(3) social workers are in a unique position to provide valuable research information on these complex social concerns, taking into account a wide range of social, medical, economic and community influences from an interdisciplinary, family-centered and community-based approach.

SEC. 3. ESTABLISHMENT OF NATIONAL CENTER FOR SOCIAL WORK RESEARCH. (a) IN GENERAL.—Section 799B(1)(B) of the Public Health Service Act (42 U.S.C. 265m) is amended in the matter preceding paragraph (1) by striking “clinical” and inserting “professional”.

(b) ESTABLISHMENT.—Part E of title IV of the Public Health Service Act (42 U.S.C. 265p et seq.) is amended by adding at the end the following:

“Subpart 7—National Center for Social Work Research”.

SEC. 4.85J. PURPOSE OF CENTER. “The general purpose of the National Center for Social Work Research (referred to in this subpart as the ‘Center’) is the conduct and support of, and dissemination of targeted research concerning social work methods and outcomes related to problems of significant social concern. The Center shall—

(1) promote research and training that is designed to inform social work practices, thus increasing the knowledge base which promotes a healthier America; and

(2) provide policymakers with empirically-based research findings which enable such policymakers to better understand complex social issues and make informed funding decisions about service effectiveness and efficiency.

SEC. 4.85K. SPECIFIC AUTHORITIES. (a) IN GENERAL.—To carry out the purpose described in section 4.85J, the Director of the Center may provide research training and instruction and establish, in the Center and in other nonprofit institutions, research traineeships and fellowships in the study and improvement of the prevention, health promotion, the association of socioeconomic status, gender, ethnicity, age and geographical location and health, the social work care of individuals with, and families of individuals with, acute and chronic illnesses, child abuse, neglect, and youth violence, and child and family care to address problems of significant social concern especially in underserved populations and underserved geographical areas.

(b) STIPENDS AND ALLOWANCES.—The Director of the Center may provide research training and instruction or traineeships or fellowships under subsection (a) with such stipends and allowances (including amounts for tuition and living expenses) as the Director determines necessary.
SEC. 485L. ADVISORY COUNCIL.

(a) Duties.—

(1) IN GENERAL.—The Secretary shall establish an advisory council for the Center that shall consist of individuals whom the Secretary, in consultation with, and make recommendations to the Secretary and the Director of the Center on matters related to the activities carried out by and through the Center and the policies with respect to such activities.

(2) Gifts.—The advisory council for the Center may recommend to the Secretary the acceptance or rejection of any gift or the acceptance or rejection of any conditional gift.

(3) Other Duties and Functions.—The advisory council for the Center—

(A)(i) may make recommendations to the Director of the Center with respect to research to be conducted by the Center;

(ii) may review applications for grants and cooperative agreements for research or training, and for approval applications for projects that demonstrate the probability of making valuable contributions to human knowledge;

(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the Center;

(B) may select, by correspondence or by personal investigation, information relating to studies that are being carried out in the United States or any other country and, with the approval of the Director of the Center, make such information available through appropriate publications; and

(C) may appoint subcommittees and convene workshops and conferences.

(b) Membership.—

(1) IN GENERAL.—The advisory council shall be composed of the ex officio members described in paragraph (2) and not more than 18 individuals to be appointed by the Secretary under paragraph (3).

(2) EX OFFICIO MEMBERS.—The ex officio members of the advisory council shall include—

(A) the Secretary of Health and Human Services, the Director of NIH, the Director of the Center, Chief Social Work Officer of the Veterans Administration, the Assistant Secretary of Defense for Health Affairs, the Associate Director of Prevention Research at the National Institute of Mental Health, the Director of the Division of Epidemiology and Services Research, the Assistant Secretary of Health and Human Services for the Administration for Children and Families, the Assistant Secretary of Education for the Office of Educational Research and Improvement, the Assistant Secretary of Housing and Urban Development, the Assistant Secretary, Planning and Development, and the Assistant Attorney General for Office of Justice Programs (or the designees of such officers); and

(B) such additional officers or employees of the United States as the Secretary determines necessary for the advisory council to effectively perform its functions.

(3) APPOINTED MEMBERS.—The Secretary shall appoint not to exceed 18 individuals to the advisory council, of which—

(A) at least one-third of such individuals shall be appointed from among the leading representatives of the health and scientific disciplines (including public health and the social sciences relevant to the activities of the Center, and at least 7 such individuals shall be professional social workers who are recognized experts in the area of clinical practice, education, or research; and

(B) not more than one-third of such individuals shall be from the general public and shall include leaders in fields of public policy, law, health policy, economics, and management.

The Secretary shall make appointments to the advisory council in such manner as to ensure that the terms of the members do not all expire in the same year.

(4) Compensation.—Members of the advisory council or employee of the United States shall not receive any compensation for service on the advisory council. The remaining members shall receive, for each year for which they are engaged in the performance of the functions of the advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for an individual at grade GS-18 of the General Schedule.

(c) Terms.—

(1) IN GENERAL.—The term of office of an individual appointed to the advisory council under subsection (b)(3) shall be 4 years, except that any individual appointed to fill a vacancy on the advisory council shall serve for the remainder of the term of the member whose seat shall be thereby vacated, or for a term of 2 years, whichever is less.

(2) REAPPOINTMENTS.—A member of the advisory council who has been appointed under subsection (b)(3) for a term of 4 years may not be reappointed to the advisory council prior to the expiration of the 2-year period beginning on the date on which the prior term expired.

(3) VACANCY.—If a vacancy occurs on the advisory council amongst the members appointed under subsection (b)(3), the Secretary shall make an appointment to fill that vacancy not later than 90 days after the date on which the vacancy occurs.

(d) Chairperson.—The chairperson of the advisory council shall be selected by the Secretary from among the members appointed under subsection (b)(3), except that the Secretary may select the Director of the Center to be the chairperson of the advisory council. The term of office of the chairperson shall be 2 years.

(e) Meetings.—The advisory council shall meet at the call of the chairperson or upon the written request of any member of the advisory council, but not less than 3 times each fiscal year. The location of the meetings of the advisory council shall be subject to the approval of the Director of the Center.

(f) Administrative Provisions.—The Director of the Center shall designate a member of the staff of the Center to serve as the executive secretary of the advisory council. The Director of the Center shall make available to the advisory council such staff, information, and other assistance as the council shall require to carry out its functions. The Director of the Center shall provide orientation and training for new members of the advisory council to provide such members with such information as may be appropriate for their effective participation in the functions of the advisory council.

(g) Comments and Recommendations.—

The advisory council may prepare, for inclusion in the biennial report under section 485M—

(1) comments with respect to the activities of the Center contained in the fiscal years for which the report is prepared;

(2) comments on the progress of the Center in meeting its objectives; and

(3) recommendations with respect to the future direction and program and policy emphasis of the center.

The advisory council may prepare such additional reports as it may determine appropriate.

SEC. 485M. BIENNIAL REPORT.

The Director of the Center, after consultation with the advisory council for the Center, shall prepare for inclusion in the biennial report under section 403, a biennial report that shall consist of a description of the activities of the Center and program policies of the Director of the Center in the fiscal years for which the report is prepared. The Director of the Center may prepare such additional reports as the Director determines appropriate. The Director of the Center shall provide the advisory council of the Center an opportunity for the submission of written comments described in section 485L(g).

SEC. 485N. QUARTERLY REPORT.

The Director of the Center shall prepare and submit to Congress a quarterly report that contains a summary of findings and policy implications derived from research conducted or supported through the Center.

By Mr. INOUYE.

S. 91. A bill to amend title VII of the Public Health Service Act to ensure that social work students and social work schools are eligible for support under certain programs to assist individuals in pursuing health careers and programs of grants for training projects in geriatrics, and to establish a national social work training program to the Committee on Health, Education, Labor, and Pensions.

Mr. INOUYE. Mr. President, on behalf of our Nation’s clinical social workers, I am introducing legislation today under the Health Care and Education Act. This legislation would (1) establish a new social work training program, (2) ensure that social work students are eligible for support under the Health Careers Opportunity Program, (3) provide social work schools with eligibility for support under the Minority Centers of Excellence programs, (4) permit schools offering degrees in social work to obtain grants for training projects in geriatrics, and (5) ensure that social work is recognized as a profession under the Health Maintenance Organization Act.

Despite the impressive range of services social workers provide to people of this Nation, few Federal programs exist to provide opportunities for social work training in health and mental health care.

Social workers have long provided quality mental health services to our citizens and continue to be at the forefront of establishing innovative programs to serve our disadvantaged populations. I believe it is important to ensure that the special expertise social workers possess continues to be available to the citizens of this Nation. This bill, by providing financial assistance to schools of social work and social work students, acknowledges the long history and critical importance of the services provided by social work professionals. I believe it is time to provide them with the recognition they deserve.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.
There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 91

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 “Strengthen Social Work Training Act of 2005”.

SEC. 2. SOCIAL WORK STUDENTS. (a) Professional programs.—Section 736(g)(1)(A) of the Public Health Service Act (42 U.S.C. 293g(1)(A)) is amended by striking “graduate program in behavioral or mental health” and inserting “graduate program in behavioral or mental health, including a school offering graduate programs in clinical social work, or programs in social work”.

(b) Scholarships.—Section 737(d)(1)(A) of the Public Health Service Act (42 U.S.C. 293d(1)(A)) is amended by striking “menthal health practice” and inserting “mental health practice (including graduate programs in clinical psychology, graduate programs in clinical social work, or programs in social work)”.

(c) Faculty Positions.—Section 738a(3) of the Public Health Service Act (42 U.S.C. 293a(3)) is amended by striking “offering graduate programs in behavioral and mental health” and inserting “offering graduate programs in behavioral and mental health, including graduate programs in clinical psychology, graduate programs in clinical social work, or programs in social work”.

SEC. 3. GERIATRICS TRAINING PROJECTS. Section 735(b)(1) of the Public Health Service Act (42 U.S.C. 294b(1)) is amended by inserting “and offering degrees in social work,” after “teaching hospitals.”

SEC. 4. SOCIAL WORK TRAINING PROGRAM. Subpart 2 of part E of title VII of the Public Health Service Act (42 U.S.C. 295 et seq.) is amended—

(1) by redesignating section 770 as section 770A;

(2) by inserting after section 769, the following:

“SEC. 770. SOCIAL WORK TRAINING PROGRAM.

(a) TRAINING GENERALLY.—The Secretary may make grants to, or enter into contracts with, any public or nonprofit private hospital, any school offering programs in social work, or to or with a public or private nonprofit corporation, that the Secretary has determined is capable of carrying out such grant or contract—

(1) to plan, develop, and operate, or participate in, an approved social work training program (including an approved residency or internship program) for students, interns, residents, or practicing physicians;

(2) to provide financial assistance (in the form of traineeships and fellowships) to students, interns, residents, practicing physicians, or other individuals who—

(A) are in need of such assistance; and

(B) are participants in any such program; and

(3) to plan, develop, and operate a program for the training of individuals who plan to teach in a social work training program;

(b) ACADEMIC ADMINISTRATIVE UNITS.—

(1) IN GENERAL.—The Secretary may make grants to, or enter into contracts with, schools offering programs in social work to meet the costs of projects to establish, maintain, or improve academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in social work.

(2) PREFERENCES IN MAKING AWARDS.—In making awards of grants and contracts under paragraph (1), the Secretary shall give preference to any qualified applicant for such an award that agrees to expend the award for the purpose of—

(A) establishing an academic administrative unit for programs in social work; or

(B) substantially expanding the programs of such a unit.

(c) DURATION OF AWARD.—The period during which payments are made to an entity under a grant or contract under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary and subject to the availability of appropriations for the fiscal year involved to make the payments.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000, for each of the fiscal years 2006 through 2009.

(e) ALLOCATIONS.—The amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available not less than 20 percent for awards of grants and contracts under subsection (a) and not more than 20 percent for awards under subsection (b).

(f) PREFERENCE IN MAKING AWARDS.—In making awards of grants or contracts under section 770a (as redesignated by paragraph (1)) by inserting “other than section 770a,” after “carrying out this subpart,”.

SEC. 5. CLINICAL SOCIAL WORKER SERVICES. Section 732(a)(1) of the Public Health Service Act (42 U.S.C. 293a(d)(1)(A)) is amended by striking—

(1) A UTHORIZATION OF APPROPRIATIONS.

SEC. 6. FELLOWSHIPS FOR SCHOLARS. Section 732(b)(2) of the Public Health Service Act (42 U.S.C. 293a(d)(1)(B)) is amended by inserting—

(1) Training generally.—The Secretary may make grants to, or enter into contracts with, any public or nonprofit private hospital, any school offering programs in social work, or to or with a public or private nonprofit corporation, that the Secretary has determined is capable of carrying out such grant or contract—

(1) to plan, develop, and operate, or participate in, an approved social worker training program (including an approved residency or internship program) for students, interns, residents, or practicing social workers;

(2) to provide financial assistance (in the form of traineeships and fellowships) to students, interns, residents, practicing social workers, or other individuals who—

(A) are in need of such assistance; and

(B) are participants in any such program; and

(3) to plan, develop, and operate a program for the training of individuals who plan to teach in a social work training program;

(4) ACADEMIC ADMINISTRATIVE UNITS.—

(1) IN GENERAL.—The Secretary may make grants to, or enter into contracts with, schools offering programs in social work to meet the costs of projects to establish, maintain, or improve academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in social work.

(2) PREFERENCES IN MAKING AWARDS.—In making awards of grants and contracts under paragraph (1), the Secretary shall give preference to any qualified applicant for such an award that agrees to expend the award for the purpose of—

(A) establishing an academic administrative unit for programs in social work; or

(B) substantially expanding the programs of such a unit.

(3) DURATION OF AWARD.—The period during which payments are made to an entity under a grant or contract under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary and subject to the availability of appropriations for the fiscal year involved to make the payments.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000, for each of the fiscal years 2006 through 2009.

(5) ALLOCATIONS.—The amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available not less than 20 percent for awards of grants and contracts under subsection (a) and not more than 20 percent for awards under subsection (b).

(6) PREFERENCE IN MAKING AWARDS.—In making awards of grants or contracts under section 770a (as redesignated by paragraph (1)) by inserting “other than section 770a,” after “carrying out this subpart,”.

SEC. 7. CLINICAL SOCIAL WORKER SERVICES. Section 1302 of the Public Health Service Act (42 U.S.C. 300e–1) is amended—

(1) in paragraphs (1) and (2), by inserting “clinical social worker,” after “psychologist,” each place the term appears;

(2) in paragraph (4)(A), by striking “and psychologists” and inserting “psychologists, and clinical social workers”; and

(3) in paragraph (5), by inserting “clinical social work,” after “psychology.”.

By Mr. INOUYE:

S. 92. A bill to amend title VII of the Public Health Service Act to establish a psychology post-doctoral fellowship program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. INOUYE. Mr. President, I am introducing legislation today to amend Title VII of the Public Health Service Act to establish a psychology post-doctoral program. Psychologists have made a unique contribution in reaching out to the nation’s medically underserved populations. Expertise in behavioral science is useful in addressing grave concerns such as violence, addiction, mental illness, adolescent and child behavioral disorders, and family disruption. Establishment of a psychology post-doctoral program could be an effective way to find solutions to these issues.

Similar programs supporting additional specializations (such as in traditionally underserved settings have been successful in retaining participants to serve the same populations. For example, mental health professionals who have participated in these specialized federally funded programs have tended to meet their re-payment obligations, but have continued to work in the public sector or with the underserved.

While a doctorate in psychology provides broad-based knowledge and mastery in a wide variety of clinical skills, specialized post-doctoral fellowship programs help to develop particular didagnostic and treatment skills required to respond effectively to underserved populations. For example, what appears to be poor academic motivation in a child recently relocated from Southeast Asia might actually reflect a cultural value of reserve rather than a disinterest in academic learning. Specialized assessment skills enable the clinician to initiate effective treatement.

Domestic violence poses a significant public health problem and is not just a problem for the criminal justice system. Violence against women results in thousands of hospitalizations a year. Rates of child and spouse abuse in rural areas are particularly high, as are the rates of alcohol abuse and depression in adolescents. A post-doctoral fellowship for psychology of the rural populations could be of special benefit in addressing these problems.

Given the demonstrated success and effectiveness of specialized training programs, it is incumbent upon us to encourage participation in post-doctoral fellowships that respond to the needs of the nation’s underserved.

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

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

S. 92

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 “Psychology in the Service of the Public Act of 2005”.

SEC. 2. GRANTS FOR FELLOWSHIPS IN PSYCHOLOGY. Part C of title VII of the Public Health Service Act (42 U.S.C. 293k et seq.) is amended by adding at the end the following:

“SEC. 749. GRANTS FOR FELLOWSHIPS IN PSYCHOLOGY.

(a) IN GENERAL.—The Secretary shall establish a psychology post-doctoral fellowship program to make grants to and enter into contracts with eligible entities to encourage the provision of psychological training and services in underserved treatment areas.

(b) ELIGIBLE ENTITIES.—In order to receive a grant under this section an individual shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary shall require, including a certification that such individual—

(A) has received a doctoral degree through a graduate program in psychology provided by an accredited institution at the time such grant is awarded; and

(B) will provide services to a medically underserved population during the period of such grant;

(C) will comply with the provisions of subsection (c); and

(D) will provide any other information or assurances as the Secretary determines appropriate.”
By Mr. LAUTENBERG (for himself and Mr. DEWINE):

S. 95. A bill to amend titles 23 and 49, United States Code, concerning length and weight limitations for vehicles operating on Federal-aid highways, and for other purposes; to the Committee on Environment and Public Works.

Mr. LAUTENBERG. Today, I am proud to introduce, along with my colleague Senator DEWINE, legislation which will make our roads safer and last longer. Our bill, the “Safe Highways, Reliable Infrastructure Protection Act,” will extend the current limited freeze of current truck size and weight limits set by states, which only applies to our 44,000-mile Interstate Highway System, to the entire 156,000-mile National Highway System (NHS). This extension will make our roads safer and will further reduce the wear and tear of our highways and bridges.

Fifteen years ago, I got a provision into the ISTEA highway reauthorization bill to ban triple-trailer trucks and other so-called “longer combination vehicles” (LCVs) from New Jersey and most other States. At that time and ever since, the trucking industry has fought to defeat and repeal this ban, under the guise of arguments for “driving rights” and “unfair re-distribution of business to railroads.” But these are not rational arguments for allowing larger and heavier trucks as well as triple-trailer trucks on our roads. Additionally, the trucking industry’s proclaimed hardships have not materialized. In fact, the trucking companies have survived the current laws quite well, and trucks have refined their role in our national freight transportation system.

As we shared the road with a large tractor-trailer truck has probably wondered whether the truck driver is aware of the smaller vehicles around the truck. Anyone who has seen the third trailer on a triple-trailer truck swinging around in a ‘crack the whip’ fashion probably knows that these trucks are to be avoided.

Moving to the use of even larger trucks is not safe. The U.S. Department of Transportation has determined that multi-trailer trucks are likely to be involved in more fatal crashes—11 percent more than today’s single-trailer trucks. By expanding the limits on triples and other longer combination...
vehicles to the entire NHS including more than 2,000 miles of highway in New Jersey. The Safe Highways and Infrastructure Protection Act will save lives and prevent further deterioration of our roads and bridges.

The State of New Jersey sees its share of the nation's truck traffic. And we are concerned about recent projections that show the amount of traffic increasing considerably over the next 10 to 20 years. We are concerned about these 55-foot, 80,000-pound vehicles on our roads. The pressure from other states to increase weight and length limitations to allow larger trucks to come through our State. This makes truck safety even more important to New Jersey drivers.

Triple-trailers and other LCVs do more damage to our roads and bridges but don't come close to paying associated maintenance and repair costs. Currently, some 37 percent of bridges in New Jersey are considered structurally functionally obsolete. Their average age is 42 years old. But the fees, tolls, and gasoline taxes paid by the operator of a 100,000-pound truck only covers 40 percent of the cost of the damage that truck does to our roads and bridges; taxpayers make up the difference. I believe that motorists should not have to share the road with these dangerous behemoths and pay for the extra damage they cause.

In the 108th Congress, the Senate passed portions of this legislation in the highway reauthorization legislation. I believe that if we act to pass this legislation, we can make a big difference in the lives of people who share our highways with large truck traffic.

I thank my colleague Senator DeWine for once again joining me in sponsoring this important legislation, and I look forward to working with my colleagues in the Congress to improve highway safety and increase the remaining life of our country's roads and bridges.

Mr. President, I ask unanimous consent that I take up the Health Care Access and Rural Equity Act, to protect and preserve access of Medicare beneficiaries to health care in rural regions.

I am a strong advocate of medical liability reform and am an original co-sponsor of S. 11, the Patients First Act, to protect patients' access to quality and affordable health care by reducing the effects of excessive liability costs. There are solutions to alleviate the burden placed on physicians and patients by excessive medical malpractice lawsuits, and I am committed to this vital reform.

I have also worked with officials from the Center for Medicare and Medicaid Services to expand access to life-saving Implantable Cardiac Defibrillators. I supported legislation to increase the supply of pancreas islet cell research for research and co-sponsored a bill to take the abortion pill RU-486 off the market in the United States.

The Federal Government invests in improving hospitals and healthcare initiatives, and I have fought hard to ensure that Oklahoma gets its fair share. Specifically, over the past three years, I have helped to secure $5.2 million in funding for the Oklahoma Medical Research Foundation, the Oklahoma State Department of Health planning initiative for a rural telemedicine system, the Duprè Health Care System, the University of Oklahoma Health Sciences Center, the Oklahoma Center for the Advancement of Science and Technology, St. Anthony’s Heart Hospital, the Hillcrest Healthcare System, and the Morton Health Center.

Mr. President, the unexpected influenza (flu) vaccine shortage beginning last month highlights the need to encourage the production of flu vaccine in America. As you know, on October 5, 2004, Chiron, a California-based biotechnology company, notified U.S. health officials that its plant in Liverpool, England had been shut down due to vaccine contamination. Almost 50,000 doses of flu vaccine were thrown away, which created a severe shortage for Americans just as the flu season began.

In light of the current shortage, I have examined why America found itself unable to accommodate the public demand for the flu vaccine. As we have seen in the past, when vaccine shortages strike, a rapid response is difficult and often impossible. Thirty years ago, more than a dozen American companies were in the flu vaccine business. Today, only two companies make the vaccine for America, and only one is an America-based company. This is no coincidence. High liability costs, tedious production, price caps, and the complicated United States tax code have kept the market bare.

In October, President Bush signed the JOBS bill, which curbed the billion-dollar lawsuits that have crippled the flu vaccination industry. By adding flu vaccine to the list of vaccines protected by the National Vaccine Injury Compensation Program (VICP), a no-fault alternative must be used for resolving vaccine injury claims. I am encouraged with this progress, but more can be done to prevent a shortage in the future.

The FY2005 Omnibus bill provides $100 million to the Department of Health and Human Services (HHS) to ensure a year-round flu vaccine production capacity and for the development and expansion of new flu vaccine production technologies. The Omnibus language also permits HHS to purchase flu vaccine with these funds, if deemed necessary. Such costly purchasing is a waste of federal dollars that could otherwise be used for research at the National Institutes of Health to develop faster and safer vaccine production technology. My bill strikes the language that allows government purchasing of the flu vaccine with these funds.

Optimizing the flu vaccine production process is imperative. The ever-changing nature of the flu virus results in a complicated production process. The dominant strain of the flu virus mutates each year, requiring a different vaccine for every flu season. Because harvesting the flu vaccine currently takes at least six months and requires tens of thousands of fertilized eggs susceptible to contamination, this process must begin nearly a year before the flu season begins.

Research should be focused on developing new technologies to allow us to produce more vaccine—in the same season—when we encounter a shortage. For example, a company in Connecticut is developing a flu vaccine relying on cell lines from silk moths. Reverse genetics technology also holds potential that researchers should explore. These types of innovative research promise to shave at least one month off of production time and significantly reduce costs.

Rather than temporarily masking problems through wasted spending on vaccine surpluses, my bill would ensure that the federal government invests in lasting solutions to the challenges of flu vaccine production. The encouragement of safer and faster flu vaccine production technology is a prudent use of federal research dollars through the National Institutes of Health.

To invest in these new technologies, flu vaccine manufacturers will have to renovate existing facilities or construct new ones. My bill gives a tax
credit to companies, new and old, to assist them in this important venture.

Currently, ten American companies produce the forty-seven FDA-approved vaccines. An investment tax credit will encourage these existing companies to expand vaccine production. However, unless the flu vaccine and will invite start-up companies to join the industry. This will better equip the United States market to prevent and deal with a shortage in the future.

This bill provides that a price cap on all vaccines purchased through federal contracts. From a short-sighted perspective, these regulated prices may expand access to vaccines. However, in the long run this policy will devastate vaccine production and decrease the availability of vaccines. This occurred in 1998 when manufacturers of Tetanus Diphtheria vaccine refused to bid on government contracts. Consequently, this vaccine is no longer available to children through the VFC program.

Similarly, the CDC purchased nearly 12 percent of the flu vaccine this season, and significant quantities were purchased through the Department of Defense, the Veteran’s Administration, and Medicare. The price controls imposed from federal government purchasing create a high-risk, low-reward business market. Price controls destroy any profit incentive. Manufacturers avoid this artificial environment and will continue to as long as the government oversteps its bounds.

The harmful effect of government price controls is especially pronounced in the flu vaccine market because the vaccine has a single-season shelf life. The difficulty of predicting the demand for vaccines each year exposes companies great risk. A slight drop in demand can force them out of the market. Financial losses from seven million extra doses in 2002 and 4.5 million extra in 2003—compelled Wyeth Pharmaceutical Company to end its flu vaccine manufacturing.

Scientific experts consider vaccination to be the most effective medical intervention, and we live in an age of unprecedented vaccine development and implementation. We cannot continue to over-regulate the flu vaccine industry and hope companies will hang on and produce vaccines regardless of profit. The current national flu vaccine shortage reveals the need to act.

My bill would steer NIH research dollars towards cutting-edge technology, remove suffocating price controls, and free companies to enter the flu vaccine industry with an investment tax credit. I urge my colleagues to stand with me in supporting this vital legislation.

By Mr. TALENT:
S. 102. A bill to provide grants to States to combat methamphetamine abuse; to the Committee on the Judiciary.

Mr. TALENT. 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. 102

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 “Exile Meth Act.”

SECTION 2. ESTABLISHMENT OF GRANT PROGRAM FOR THE HIRING, TRAINING, AND MENTAL HEALTH REPEAT OFFENDERS.

The Attorney General shall establish a program that provides grants to qualified States for combating the problem of methamphetamine abuse, with a specific focus on the prosecution of repeat offenders.

SEC. 3. DEFINITION.

As used in this Act, the term “qualified State” means a State that—

(1) had more than 200 methamphetamine lab seizures in 2004, as reported by the National Clandestine Laboratory Database; and

(2) has a law that provides that a person who possesses or distributes 5 grams or more of methamphetamine, its salts, isomers, or salts of its isomers, or 50 grams or more of a mixture containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers, qualifies for a mandatory minimum sentence, without the possibility of probation or parole, of 5 to 90 years for a first offense, 10 years to life for a second offense, and life for a third offense.

SEC. 4. DISTRIBUTION OF GRANT AMOUNTS.

The Attorney General shall distribute grants authorized under this Act to 2 States.

SEC. 5. ADMINISTRATION.

The Attorney General shall prescribe requirements, including application requirements, for grants under the program established by this Act.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to each of the fiscal years 2006 and 2007 to carry out this Act.

(b) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

By Mr. TALENT (for himself).

S. 103. A bill to respond to the illegal production, distribution, and use of methamphetamine in the United States, and for other purposes; to the Committee on the Judiciary.

Mr. TALENT. 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. 103

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 “Combat Meth Act of 2005”.

January 24, 2005

TITLE I—ENFORCEMENT

SEC. 101. AUTHORIZATION OF APPROPRIATIONS RELATING TO COPS GRANTS.

(a) IN GENERAL.—In addition to any other funds authorized to be appropriated for fiscal year 2006 for grants under section 133(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796d(d)) for fiscal years 2006 and 2007 and for grants under section 133(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796d(d)) for fiscal years 2006 and 2007 to carry out this Act.

(b) RURAL SET-ASIDE.—Of amounts made available under subsection (a), $3,000,000 shall be available only for prosecutors and law enforcement agents for the investigation and prosecution of methamphetamine offenses and the cleanup of methamphetamine-affected areas.

SEC. 102. EXPANSION OF METHAMPHETAMINE HOT SPOTS PROGRAM TO INCLUDE PERSONNEL AND EQUIPMENT FOR ENFORCEMENT, PROSECUTION, AND CLEANUP.

There are authorized to be appropriated for fiscal years 2006 and 2007 to carry out this Act.

SEC. 103. SPECIAL UNITED STATES ATTORNEYS’ PROGRAM.

(a) IN GENERAL.—The Attorney General shall allocate any amounts appropriated pursuant to the authorization of appropriations in subsection (c) for the hiring and training of special assistant United States attorneys.

(b) USE OF FUNDS.—The funds allocated under subsection (a) shall be used to—

(1) train local prosecutors in techniques used to prosecute methamphetamine cases, including the presentation of evidence related to the manufacture of methamphetamine;

(2) train local prosecutors in Federal and State laws involving methamphetamine manufacture or distribution; (c) cross-designate local prosecutors as special assistant United States attorneys; and

(4) hire additional law enforcement officers who—

(A) are authorized to be appropriated $3,000,000 for each of the fiscal years 2006 and 2007 to carry out this Act.

Mr. SMITH, Mr. C. OLIVER, Mr. W. HAYES, Mr. C. SMITH, Mr. KERKIN, Mr. SMITH, Mr. COLEMAN, and Mr. GRASSLEY;

T. By Mr. TALENT (for himself, Mr. FEINSTEIN, Mr. BAYH, Mr. NELSON of Nebraska, Mr. DAYTON, Mr. WYDEN, Mr. SALAZAR, Mr. HAGEL, Mr. HARKIN, Mr. SMITH, Mr. COLEMAN, and Mr. GRASSLEY):

S. 103. A bill to respond to the illegal production, distribution, and use of methamphetamine in the United States, and for other purposes; to the Committee on the Judiciary.

Mr. TALENT. 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. 103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
(1) by inserting “(1)” before “No controlled substance”; and
(2) by adding at the end the following:
(2) If the substance described in paragraph (6) of Schedule V of section 202 is dispensed, sold, or distributed in a pharmacy—
(A) the substance shall be dispensed, sold, or distributed by a licensed pharmacist or a licensed pharmacy technician; and
(B) any person purchasing, receiving, or otherwise acquiring any such substance shall—
(i) produce a photo identification showing the date of birth of such person; and
(ii) sign a written log or receipt showing—
(I) the date of the transaction;
(II) the name of the person; and
(III) the name and the amount of the substance purchased, received, or otherwise acquired.
(3)(A) No person shall purchase, receive, or otherwise acquire more than 9 grams of the substance described in paragraph (6) of Schedule V of section 202 within any 30-day period.

(2) The limit described in subparagraph (A) shall not apply to any quantity of such substance dispensed under a valid prescription.

(4)(A) The Director of the Drug Enforcement Agency, by rule, may exempt a product from Schedule V of section 202 if the Director determines that the product has been formulated in such a way as to effectively prevent the conversion of the active ingredient into methamphetamine or other controlled dangerous substances.

(B) The Director of the Federal Drug Administration, upon the application of a manufacturer of a drug product, may exempt the product from Schedule V of section 202 if the Director determines that the product is not used in the illegal manufacture of methamphetamine or other controlled dangerous substances.

(C) The Director of the Federal Drug Administration, by rule, may authorize the sale of the substance described in paragraph (6) of Schedule V of section 202 by persons other than licensed pharmacists or licensed pharmacy technicians if—
(i) the Director finds evidence that the absence of a pharmacy creates a hardship for a community; and
(ii) the authorized personnel follow the procedures set forth in this Act.

TITLE II—EDUCATION, PREVENTION, AND TREATMENT

SEC. 201. GRANTS FOR SERVICES FOR CHILDREN AND ADOLESCENTS ABUSING METHAMPHETAMINE OR OTHER CONTROLLED SUBSTANCES.

Section 519 of the Public Health Service Act (42 U.S.C. 290b-25) is amended—
(1) in subsection (b), by inserting after paragraph (8) the following:
"(9) Development of drug endangered children rapid response teams that will intervene on behalf of children exposed to methamphetamine abuse, the result of residing or being present in a home-based clandestine drug laboratory;"; and
(2) in subsection (c)—
(A) striking "For the purpose" and inserting the following:
"(1) In General.—For the purpose; and
(B) by adding at the end the following:
"(2) Drug Endangered Children Rapid Response Teams.—There are authorized to be appropriated $2,500,000 for each of the fiscal years 2006 and 2007 to carry out the provisions of this section.

SEC. 202. LOCAL GRANTS FOR TREATMENT OF METHAMPHETAMINE ABUSE AND RELATED CONDITIONS.

Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290b et seq.) is amended—
(1) redesignating the section 514 that relates to methamphetamine and appears after section 514A as section 514B;
(2) in section 514B, as redesignated—
(A) by amending subsection (a)(1) to read as follows:
"(1) GRANTS AUTHORIZED.—The Secretary shall give priority to entities that will serve rural areas experiencing an increase in methamphetamine abuse; “;
(B) by amending subsection (b) to read as follows:
"(b) Priority for Rural Areas.—In awarding grants under subsection (a), the Secretary shall give priority to entities that will serve rural areas experiencing an increase in methamphetamine abuse; “;
(C) in subsection (d)(1), by striking "2000" and all that follows: "2000 and such sums as may be necessary for each of fiscal years 2006 through 2009"; and
(D) by inserting after section 514B, as redesignated, the following:
"SEC. 514C. METHAMPHETAMINE RESEARCH, TRAINING, AND TECHNICAL ASSISTANCE CENTER.

(a) Program Authorized.—The Secretary, acting through the Administrator, and in consultation with the Director of the National Institutes of Health, shall award grants to, or enter into contracts with, public or private, nonprofit entities to establish a research, training, and technical assistance center to carry out the activities described in subsection (d).

(b) Application.—A public or private, nonprofit entity seeking a grant or contract under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(c) Consultation.—In awarding grants or entering into contracts under subsection (a), the Secretary shall ensure that not less than 1 of the centers will serve rural areas.

(d) Authorized Activities.—Each center established under this section shall—
(I) engage in research and evaluation of the effectiveness of treatment modalities for the treatment of methamphetamine abuse;
(II) disseminate information to public and private entities on effective treatments for methamphetamine abuse;
(III) provide direct technical assistance to States, political subdivisions of States, and other entities to improve the treatment of methamphetamine abuse; and
(IV) provide training on the effects of methamphetamine use and on effective ways of treating methamphetamine abuse to substance abuse treatment professionals and community leaders.

(e) Reports.—Each grantee or contractor under this section shall annually submit a report to the Administrator that contains—
(I) a description of the previous year’s activities of the center established under this section;
(II) effective treatment modalities undertaken by the center; and
(III) evidence that demonstrate that such treatment modalities are successful.

(f) Authorization of Appropriations.—There are authorized to be appropriated $35,000,000 for each of the fiscal years 2006 and 2007 to carry out the provisions of this section.

SEC. 203. METHAMPHETAMINE PRECURSOR MONITORING PROGRAMS.

(a) Grants Authorized.—The Attorney General, acting through the Bureau of Justice Assistance, may award grants to States to establish methamphetamine precursor monitoring programs.

(b) Purpose.—The purpose of the grant program established under this section is to—
(I) prevent the sale of methamphetamine precursor substances, such as pseudoephedrine, to individuals in quantities so large that the only reasonable purpose of the purchase would be to manufacture methamphetamine;
(II) educate businesses that legally sell methamphetamine precursors to the need to balance the legitimate need for lawful access to medication with the risk that such substances may be used to manufacture methamphetamine; and
(III) recalculate existing prescription drug monitoring programs designed to track the sale of controlled substances to also track the sale of pseudoephedrine in any amount greater than 6 grams.

(c) Use of Grant Funds.—Grant funds awarded to States under this section may be used to—
(I) implement a methamphetamine precursor monitoring program, including hiring personnel and purchasing computer hardware and software designed to monitor methamphetamine precursor purchases;
(II) expand existing methamphetamine precursor or prescription drug monitoring programs to accomplish the purposes described in subsection (b);
(III) pay for training and technical assistance for law enforcement personnel and employees of businesses that lawfully sell substances, which may be used as methamphetamine precursors;
(IV) improve information sharing between adjacent States through enhanced connectivity; or
(V) make grants to subdivisions of the States to implement methamphetamine precursor monitoring programs.

(d) Application.—Any State seeking a grant under this section shall submit an application to the Attorney General at such time, in such manner, and containing such information as the Attorney General may require.

(e) Authorization of Appropriations.—There are authorized to be appropriated $5,000,000 for each of the fiscal years 2006 and 2007 to carry out the provisions of this section.

By Mr. TALENT (for himself, Mr. WYDEN, Mr. COLEMAN, and Mr. CORZINE):

S. 104. A bill to amend the Internal Revenue Code of 1986 to provide tax-exempt financing of highway projects and rail-truck transfer facilities; to the Committee on Finance.

Mr. TALENT. 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. 104

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

SECTION 1. TAX-EXEMPT FINANCING OF HIGHWAY PROJECTS AND RAIL-TRUCK TRANSFER FACILITIES.

(a) Treatment as Exempt Facility Bond.—Subsection (a) of section 142 of the Internal Revenue Code of 1986 (relating to exemption for railroad and rail-truck transfer facilities) is amended—
(1) in paragraph (1), by striking "qualified facility bond" and inserting "(m) qualified facility bond; or "(n) qualified surface freight transfer facilities;"
(2) in paragraph (2), by striking "road bond" and inserting "(m) qualified highway and surface freight transfer facilities; or "(n) qualified surface freight transfer facilities;"

SEC. 105. QUALIFIED HIGHWAY AND SURFACE FREIGHT TRANSFER FACILITIES.

Section 142 of the Internal Revenue Code of 1986 (relating to exemption for highway and freight transfer facilities) is amended by striking out the words "facilities" and inserting "facilities, and qualified surface freight transfer facilities."
“(1) QUALIFIED HIGHWAY FACILITIES.—For purposes of subsection (a)(15), the term ‘qualified highway facilities’ means—

(A) any surface transportation project which receives Federal assistance under title 23, United States Code (as in effect on the date of the enactment of this subsection), or

(B) any project for an international bridge or tunnel for which an international entity authorized under Federal or State law is responsible and which receives Federal assistance under such title 23.

“(2) QUALIFIED SURFACE FREIGHT TRANSFER FACILITIES.—For purposes of subsection (a)(16), the term ‘qualified surface freight transfer facilities’ means facilities for the transfer of freight by rail or truck to rail or truck (including any temporary storage facilities directly related to such transfers) which receives Federal assistance under either title 23 or title 49, United States Code (as in effect on the date of the enactment of this subsection).

“(3) AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING FOR FACILITIES.—

“(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(15) or (a)(16) if the aggregate face amount of bonds issued by any State pursuant thereto (when added to the aggregate face amount of bonds previously so issued) exceeds $15,000,000,000.

“(B) ALLOCATION BY SECRETARY OF TRANSPORTATION.—The Secretary of Transportation shall allocate the amount described in subparagraph (A) among eligible projects described in subsections (a)(15) and (a)(16) in such manner as the Secretary determines appropriate.

“(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(c) of the Internal Revenue Code of 1986 (relating to exception for certain bonds) is amended by striking ‘or’ in subsection (a)(15) and inserting ‘or’ in subsection (a)(14).”

“(d) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

By Mr. TALENT (for himself, Mr. SESSIONS, and Mr. DEMINT):

S. 105. A bill to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; to the Committee on Finance.

Mr. TALENT. 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. 105

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 ‘Personal Responsibility, Work, and Family Promotion Act of 2005’.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.
Sec. 4. Findings.

TITLE I—TANF

Sec. 101. Purposes.
Sec. 102. Family assistance grants.
Sec. 103. Promotion of family formation and healthy marriage.

Sec. 104. Supplemental grant for population increases in certain States.

Sec. 105. Bonus to reward employment achievement.

Sec. 106. Child care fund.

Sec. 107. Use of funds.

Sec. 108. Repeal of Federal loan for State welfare programs.

Sec. 109. Universal parent and family self-sufficiency plan requirements.

Sec. 110. Work participation requirements.

Sec. 111. Maintenance of effort.

Sec. 112. Performance improvement.

Sec. 113. Data collection and reporting.

Sec. 114. Direct funding and administration of transfer facilities.

Sec. 115. Research, evaluations, and national studies.

Sec. 116. Studies by the Census Bureau and the Government Accountability Office.

Sec. 117. Definition of assistance.

Sec. 118. Technical corrections.

Sec. 119. Fatherhood program.

Sec. 120. State option to make TANF programs mandatory partners with one-stop employment training centers.

Sec. 121. Sense of the Congress.

Sec. 122. Extension through fiscal year 2005.

TITLE II—CHILD CARE

Sec. 201. Short title.


Sec. 203. Authorization of appropriations.

Sec. 204. Application and plan.

Sec. 205. Activities to improve the quality of child care.

Sec. 206. Report by Secretary.

Sec. 207. Definitions.

Sec. 208. Entitlement funding.

TITLE III—CHILD SUPPORT

Sec. 301. Federal matching funds for limited pass through of child support payments to families receiving TANF.

Sec. 302. State option to pass through all child support payments to families that formerly received TANF.

Sec. 303. Mandatory review and adjustment of child support orders for families receiving TANF.

Sec. 304. Mandatory fee for successful child support collections for family that has never received TANF.

Sec. 305. Report on undistributed child support payments.

Sec. 306. Definitions.

Sec. 307. Use of tax refund intercept program to collect past-due child support for children who are not minors.

Sec. 308. Garnishment of compensation paid to veterans for service-connected disabilities.

Sec. 309. Impounding Federal debt collection practices.

Sec. 310. Maintenance of technical assistance funding.

Sec. 311. Maintenance of Federal Parent Locator Service funding.

TITLE IV—CHILD WELFARE

Sec. 401. Extension of authority to approve demonstration projects.

Sec. 402. Elimination of limitation on number of waivers.

Sec. 403. Elimination of limitation on number of States that may be given waivers to conduct demonstration projects on same topic.

Sec. 404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.

Sec. 405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.

Sec. 406. Availability of reports.

Sec. 407. Technical correction.

TITLE V—SUPPLEMENTAL SECURITY INCOME

Sec. 501. Review of State agency blindness and disability determinations.

TITLE VI—STATE AND LOCAL FLEXIBILITY

Sec. 601. Program coordination demonstration projects.

Sec. 602. State food assistance block grant demonstration project.

TITLE VII—ABSTINENCE EDUCATION

Sec. 701. Extension of abstinence education program.

TITLE VIII—TRANSITIONAL MEDICAL ASSISTANCE

Sec. 801. Extension of medical transitional medical assistance program through fiscal year 2006.

Sec. 802. Adjustment to payment formula for medical administrative costs to prevent duplicative payments and to fund extension of transitional medical assistance.

TITLE IX—EFFECTIVE DATE

Sec. 901. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

SEC. 4. FINDINGS.

The Congress makes the following findings:

(1) The Temporary Assistance for Needy Families (TANF) Program established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) has succeeded in moving families from welfare to work and reducing child poverty.

(2) There has been a dramatic increase in the employment of current and former welfare recipients. The working recipients reached an all-time high in fiscal year 1999 and continued steady in fiscal years 2000 and 2001. In fiscal year 2003, 31.3 percent of adult recipients were counted as meeting the work participation requirements. All States but one met the overall participation rate standard in fiscal year 2003, as did the District of Columbia and Puerto Rico.

(3) Earnings for welfare recipients remaining on the rolls have also increased significantly, as have earnings from nonwelfare households. The increases have been particularly large for the bottom 2 income quintiles, that is, those women who are most likely to be former or present welfare recipients.

(4) Welfare dependency has plummeted. As of June 2004, 1,969,909 families and 4,727,291 individuals were receiving assistance. According to the Government Accountability Office, the number of families in the welfare caseload and the number of individuals receiving cash assistance declined 55 percent and 61 percent, respectively, since the enactment of TANF.

(5) The child poverty rate continued to decline between 1996 and 2003, falling 14 percent from 20.5 to 17.6 percent. Child poverty rates for African-American and Hispanic children have also fallen dramatically during the past 7 years.
(2) As a Nation, we have made substantial progress in reducing teen pregnancies and births, slowing increases in nonmarital childbearing, and improving child support collection—all of which States have made efforts to reduce. (A) The birth rate to teenagers declined 30 percent from its high in 1991 to 2002. The 2002 teenage birth rate of 43.0 per 1,000 women aged 15 to 19 was the lowest recorded birth rate for teenagers. (B) During the period from 1991 through 2001, teenage birth rates fell in all States and the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. Declines also have spanned age, racial, and ethnic groups. There has been success in lowering the birth rate to teenagers and older teenagers. The birth rate for those 15-17 years of age has declined 40 percent since 1991, and the rate for those 18 and 19 has declined 23 percent. The rate for African American teens—until recently the highest—has declined the most—42 percent from 1991 through 2002. (C) Since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, child support collection within the child support enforcement system have grown every year, increasing from $59,500,000,000 in fiscal year 1996 to over $21,000,000,000 in fiscal year 2003. The number of paternities established or acknowledged in fiscal year 2003 (over 1,500,000) includes a more than 180 percent increase through -holistic acknowledgment programs (862,043 in 2003 compared to 324,652 in 1996. Child support collections were made in nearly 8,000 cases in fiscal year 2003, significantly more than the almost 4,000,000 cases having a collection in 1996. (3) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave States great flexibility in the use of Federal funds to develop innovative programs to help families leave welfare and begin employment and to encourage the formation of 2-parent families. (A) Total Federal and State TANF expenditures in fiscal year 2003 were $25,300,000,000, up from $23,400,000,000 in fiscal year 2002 and $22,600,000,000 in fiscal year 1999. This increased spending is attributable to significant new investments in supportive services in the TANF program, such as child care and activities to support work. (B) Since the welfare reform effort began there has been a dramatic increase in work participation by employed or unemployed (community service, and work experience) among welfare recipients, as well as an unprecedented reduction in the caseload because recipients were for work. (C) States are making policy choices and investment decisions best suited to the needs of their citizens. (i) The expansion of training and work programs, by law, in an average month, only 41 percent of all families with a married or non-married expectant father. The child support enforcement system as marriages have declined. It is estimated that 40 percent of children are expected to live in a cohabiting-parent family at some point during their childhood. Children in single-parent households and cohabiting-parent households are at much higher risk of child abuse than children in intact married families. (D) Children who live apart from their biological parents, on average, are more likely to be poor, experience education, health, emotional, and psychological problems, be victims of child abuse, engage in criminal behavior, and become involved with the juvenile justice system than those who live with their married, biological mother and father. A child living with a single mother is nearly 5 times as likely to be poor as a child living in a married-couple family. In 2003, in married-couple families, the child poverty rate was 8.6 percent, and in households headed by a single mother the poverty rate was 41.7 percent. (E) Therefore, it is the sense of the Congress that increasing success in moving families from welfare as well as in promoting healthy marriage and other means of improving child well-being, are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by this Act) is intended to serve those ends.

TITLE I—TANF

SEC. 101. PURPOSES. (a) Section 402(a)(4) (42 U.S.C. 602(a)(4)) is amended—
(1) by striking “1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003” and inserting “2006 through 2010”; and (2) by inserting “payable to the Secretary for the fiscal year” before “payable to the Secretary for the fiscal year” and inserting “each of fiscal years 2006 through 2010”. (b) STATE FAMILY ASSISTANCE GRANT— (Section 403(a)(1)(C) (42 U.S.C. 603(a)(1)(C) is amended by striking “fiscal year” and “payable for the fiscal year” in the fiscal year” and inserting “each of fiscal years 2006 through 2010.”. (c) MATCHING GRANTS FOR THE TERRITORIES— (Section 1300(b)(2) is amended by striking “1997 through 2003 and inserting “2006 through 2010”.

SEC. 103. PROMOTION OF FAMILY FORMATION AND HEALTHY MARRIAGE. (a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:— (vii) Encourage equitable treatment of married, 2-parent families under the program referred to in clause (i). (b) HEALTHY MARRIAGE PROMOTION GRANTS; REPEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY RATE.— (1) IN GENERAL.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:— (2) HEALTHY MARRIAGE PROMOTION GRANTS.— (A) AUTHORITY.—The Secretary shall award competitive grants to States, territories, and tribal organizations for not more than 50 percent of the cost of developing and implementing innovative programs to promote and support healthy, married, 2-parent families. (B) HEALTHY MARRIAGE PROMOTION ACTIVITIES.—Funds provided under subparagraph (A) shall be used to support any of the following programs or activities: (i) Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health. (ii) Education in high schools on the value of marriage, relationship skills, and budgeting. (iii) Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement, for non-married pregnant women and non-married expectant fathers. (iv) Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage. (v) Marriage enhancement and marriage skills training programs for married couples. (vi) Divorce reduction programs that teach relationship skills. (vii) Marriage mentoring programs which use married couples as role models and mentors in at-risk communities. (viii) Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph. (C) APPROPRIATION.— (1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2006 through 2010 $100,000,000 for programs under this paragraph. (2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(c) COUNTING OF SPENDING ON NON-ElIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENSURE FAMILY FORMATION AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED FAMILIES, OR ENCOURAGE...
(4) Determination of state performance.—For each bonus year, the Secretary shall:
   (i) use the formula developed under subparagraph (A) to determine the performance of each eligible State for the fiscal year that precedes the bonus year; and
   (ii) prescribe performance standards in such manner as to achieve the goals of employment entry, job retention, and increased earnings.

(b) Grants.

(1) In general.—For purposes of awarding a bonus under section 409(a)(7)(B)(i)(I) for the fiscal year preceding bonus year equals $100,000,000; and
   (II) the amount of grants to be made under this paragraph for all bonus years equals $600,000,000.

(c) Definitions.—In this paragraph:
   (i) Bonus year 2005 means each of fiscal years 2006 through 2011.
   (ii) Employment achievement State means, with respect to a bonus year, an eligible State whose performance determined pursuant to subparagraph (D)(i) for the fiscal year preceding the bonus year equals or exceeds the performance standards prescribed under subparagraph (D)(i) for such preceding fiscal year.

(d) Appropriation.

(ii) In general.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 2006 through 2011 $600,000,000 for grants under this paragraph.

(iii) Extended availability of prior appropriation.—Amounts appropriated under section 409(a)(4)(F) of the Social Security Act (as in effect before the date of the enactment of this clause) that have not been expended as of such date of enactment shall remain available through fiscal year 2006 for grants under this paragraph.

(e) Grants for tribal organizations.—This paragraph applies with respect to tribal organizations in the same manner in which this paragraph applies with respect to States. In determining the criteria under which to make grants to tribal organizations under this paragraph, the Secretary shall consult with tribal organizations.

(f) Effective date.—The amendments made by this paragraph shall apply on the date of the enactment of this Act.

SEC. 106. CONTINGENCY FUND.

(a) Deposits into fund.—Section 409(b)(2) (42 U.S.C. 609(b)(2)) is amended—
   (2) by striking all that follows “$2,000,000,000” and inserting a period.


(c) Definition of needy state.—Clause (i) of section 409(b)(5)(B) (42 U.S.C. 609(b)(5)(B)) is amended by striking “1996” the following: “, and the Food Stamp Act of 1977 as in effect during the corresponding 3-month period in the fiscal year preceding such most recently concluded 3-month period.”.

(d) Annual reconciliation: Federal matching of state expenditures above maintenance of effort level.—Section 409(b)(4) (42 U.S.C. 609(b)(4)) is amended—
   (1) in subparagraph (A)(i)—
      (A) by adding “and” at the end of subclause (III); and
      (B) by striking “; and at the end of subclause (II) and inserting a period;
   (2) in subparagraph (B)(i), by striking all that follows “section 409(a)(7)(B)(iii)” and inserting a period;
SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS.

(a) Modification of State Plan Requirements.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended to strike clauses (ii) and (iii) and inserting the following:

"(ii) Require a parent or caretaker receiving assistance under the program to engage in work or other self-sufficiency activities (as defined by the State), consistent with section 407(d)(2).

(iii) Require families receiving assistance under the program to engage in activities in accordance with family self-sufficiency plans developed pursuant to section 408(b).")

(b) Establishment of Family Self-Sufficiency Plans.—

(1) In general.—Section 408(b) (42 U.S.C. 608(b)) is amended to read as follows:

"(b) FAMILY SELF-SUFFICIENCY PLANS.—

"(1) In general.—A State to which a grant is made under section 403 shall—

"(A) assess, in the manner deemed appropriate by the State, the skills, prior work experience, and employability of each work-eligible individual (as defined in section 407(b)(2)(C)) receiving assistance under the State program funded under this part, for purposes of this subsection, to develop and design activities for families deemed appropriate to assist the individual in the activities specified in the State plan submitted pursuant to section 402, including the eligibility criteria in subparagraph (A);

"(B) require, at a minimum, each such individual, in consultation as the State deems appropriate with the individual, a self-sufficiency plan that specifies appropriate activities described in the State plan submitted pursuant to section 402, including direct work activities as appropriate designed to assist the family in achieving their maximum degree of self-sufficiency, and that provides for the ongoing participation of the individual in the activities; and

"(C) require, at a minimum, each such individual to participate in activities in accordance with the self-sufficiency plan; (D) upon such a review, revise the self-sufficiency plan and activities as the State deems appropriate.

(2) State discretion.—A State shall comply with paragraph (1) with respect to a family—

"(A) in the case of a family that, as of October 1, 2005, is not receiving assistance from the State program funded under this part, not later than 60 days after the family first receives assistance on the basis of the most recent application for the assistance; or

"(B) in the case of a family that, as of such date, is receiving the assistance, not later than 12 months after the date of enactment of this subsection.

(3) State discretion.—A State shall have sole discretion, consistent with section 407, to define and design activities for families for purposes of this subsection, to develop methods of monitoring and reviewing progress pursuant to this subsection, and to make modifications to the plan as the State deems appropriate to assist the individual in increasing their degree of self-sufficiency.

(4) Rule of interpretation.—Nothing in this part shall preclude a State from requiring participation in work or any other activity, appropriate to helping families achieve self-sufficiency and improving child well-being."

(2) Penalty for Failure to Establish Family Self-Sufficiency Plan.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

(A) in the paragraph heading, by inserting "or establish family self-sufficiency plan after

(B) in subparagraph (A), by inserting "or 408(b)" after "408(a)".

SEC. 110. WORK PARTICIPATION REQUIREMENTS.

(a) Elimination of Separate Participation Rate Requirements for 2-Parent Families.—

(1) Section 407 (42 U.S.C. 607) is amended in subsection (b) (42 U.S.C. 607(b)) is amended by—

(i) striking paragraph (1)(B)(i) and (2)(B) and inserting "paragraph (1)(B)";

(ii) Section 407(c)(1) (42 U.S.C. 607(c)(1)) is amended by striking the word "and" in paragraphs (1)(B) and (2)(B) and inserting "paragraph (1)(B)";

(iii) 30 percent for fiscal year 2008; and

(iv) 50 percent for fiscal year 2009 and each succeeding fiscal year.

(2) Calculation of Participation Rates.—

"(a) Participation Rate Requirements.—

"(1) In general.—Subject to the succeeding provisions of this section, a State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate equal to not less than—

"(A) 50 percent for fiscal year 2006;

"(B) 55 percent for fiscal year 2007;

"(C) 60 percent for fiscal year 2008;

"(D) 65 percent for fiscal year 2009 and each succeeding fiscal year 2010 and each succeeding fiscal year.

"(2) Minimum Participation Rate Floor.—

"(A) In general.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate floor, calculated in accordance with subparagraph (B), that is not less than—

"(i) 10 percent for fiscal year 2006;

"(ii) 20 percent for fiscal year 2007;

"(iii) 30 percent for fiscal year 2008;

"(iv) 40 percent for fiscal year 2009; and

"(v) 55 percent for fiscal year 2010 and each succeeding fiscal year.

"(B) Calculation of Participation Rates for Determining Compliance with Minimum Participation Rate Floor.—

"(i) In general.—For purposes of determining compliance with paragraph (A), the provisions of subsection (b) shall apply with respect to the participation rate of a State for a fiscal year except as provided in clauses (ii) and (iii).

"(ii) Special rules.—For purposes of this paragraph—

"(I) a reduction under subsection (b)(3) shall not be applied with respect to a State for a fiscal year to the extent it would reduce the participation rate of the State is otherwise required to meet below the level specified in subparagraph (A) for such fiscal year;

"(II) the participation rate determined under paragraphs (1) and (2) of subsection (b) for a State for a fiscal year may not be increased as provided in subsection (b)(4) if the State's participation rate determined under this paragraph is below the level specified for such fiscal year in subparagraph (A); and

"(III) the options to exclude certain families for purposes of determining monthly participation rates provided in subsection (b)(2)(B)(ii) shall not apply.

"(iii) Definition of assistance.—For purposes of paragraph (b)(3), in determining whether a family is receiving assistance in subsection (b) shall be deemed to mean assistance to a family that—

"(I) meets the definition of that term in section 402;

"(II) is provided—

"(aa) under the State program funded under this part; or

"(bb) under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(1)) and participation rate floor, calculated in accordance with paragraph (2)(B), is provided in that part;

"(III) No work requirement imposed for families with an infant.—Nothing in this paragraph shall be construed as requiring a State to require a family in which the youngest child has not attained 12 months of age to engage in work or other activities.

"(b) Calculation of Participation Rates.—

"(1) Average monthly rate.—For purposes of subsection (a), the participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(2) Monthly Participation Rates; Incorporation of 40-Hour Work Week Standard.—

"(A) In general.—For purposes of paragraph (1), the participation rate of a State for a month is—

"(i) the total number of countable hours (as defined in subsection (c)) with respect to the counted families for the State for the month; divided by

"(ii) 160 multiplied by the number of counted families for the State for the month.

"(B) Counted Families Defined.—

"(i) In general.—In subparagraph (A), the term "counted family" means, with respect to a State and a month, a family that includes a work-eligible individual and that receives assistance in the month under the State program funded under this part, subject to clause (ii).

"(ii) State option to exclude certain families.—At the option of a State, the term "counted family" shall not include a family in the first month for which the family receives assistance from a State program funded under this part on the basis of the most recent application for such assistance; or

"(III) a family in the first month for which the family receives assistance from a State program funded under this part on the basis of the most recent application for such assistance; or

"(II) on a case-by-case basis, a family in which the youngest child has not attained 12 months of age.

"(III) State option to include individuals receiving assistance under a tribal family assistance plan or tribal work program.—At the option of a State, the term "counted family" may include families in the State that are receiving assistance under a tribal family assistance plan approved under section 412 or under a tribal work program to which funds are provided under this part.

"(C) Work-eligible Individual Defined.—In this section, the term "work-eligible individual" means an individual—

"(i) who is married or a single head of household; and

"(ii) whose needs are (or, but for sanctions under part D, would be) included in determining the amount of cash assistance to be provided to the family under the State program funded under this part.

"(2) Recalibration of Cashline Reduction Credit.—

"(1) In general.—Section 407(b)(3)(A)(i) (42 U.S.C. 607(b)(3)(A)(i)) is amended to read as follows:

"(ii) the average monthly number of families that received assistance under the State program funded under this part during the base year; and

"(2) Conforming Amendment.—Section 407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended by striking "and eligibility criteria" and all that follows through the end of paragraph and inserting "and the eligibility criteria in effect during the then applicable base year".

"(3) Base Year Defined.—Section 407(b)(4) (42 U.S.C. 607(b)(4)) is amended by adding at the end the following:

"(C) Base Year defined.—In this paragraph, the term "base year" means, with respect to a fiscal year—

"(i) if the fiscal year is fiscal year 2006, fiscal year 1996;
“(ii) if the fiscal year is fiscal year 2007, fiscal year 1998;
“(iii) if the fiscal year is fiscal year 2008, fiscal year 2001; or
“(iv) if the fiscal year is fiscal year 2009 or any succeeding fiscal year, the then 4th preceding fiscal year.”

(4) SUPERACHIEVER CREDIT.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraphs (4) and (5) and inserting the following:

“(4) SUPERACHIEVER CREDIT.—
“(A) IN GENERAL.—The participation rate, determined under paragraphs (1) and (2) of this subsection, of a superachiever State for a fiscal year shall be increased by the lesser of—
“(i) the amount (if any) of the superachiever credit applicable to the State; or
“(ii) the State (subject to the exclusion described in paragraph (1)) by which the minimum participation rate required by subsection (a) for the fiscal year exceeds 50 percent.

(B) SUPERACHIEVER STATE.—For purposes of subparagraph (A), a State is a superachiever State if the State caseload for fiscal year 2001 has declined by at least 60 percent from the State caseload for fiscal year 1995.

(C) AMOUNT OF CREDIT.—The superachiever credit applicable to a State is the number of percentage points (if any) by which the decline referred to in subparagraph (B) exceeds 60 percent.

(D) DEFINITIONS.—In this paragraph:

“(1) FISCAL YEAR 2001.—The term ‘State caseload for fiscal year 2001’ means the average monthly number of families that received assistance during fiscal year 2001 under the State program funded under this part.

“(2) FISCAL YEAR 1995.—The term ‘State caseload for fiscal year 1995’ means the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.

“(e) COUNTABLE HOURS.—Section 607 of such Act (42 U.S.C. 607) is amended by striking subsections (c) and (d) and inserting the following:

“(c) COUNTABLE HOURS.—

“(1) DEFINITION.—In subsection (b)(2), the term ‘countable hours’ means, with respect to a fiscal year, the total number of hours in the month in which any member of the family who is a worker or an eligible individual is engaged in a direct work activity or other activity required by the State or the Acting Secretary to provide assistance to needy parents and their children, subject to such standards and criteria as the State may specify, including—

“(i) a job search or job readiness assistance;

“(ii) any activity that addresses a purpose specified in section 401(a).

“(iii) LIMITATION.—

“(D) SPECIAL RULE APPLICABLE TO EDUCATION AND TRAINING.—A State may, on a case-by-case basis, apply clause (i) to a work-eligible individual so that participation in any education or training, if needed to permit the individual to complete a certificate program or other work-related education or training directed at enabling the family member to fill a known job need in a local area, may be considered countable hours with respect to the family of the individual for more than 4 months in any period of 24 consecutive months.

“(E) SCHOOL ATTENDANCE BY TEEN HEAD OF HOUSEHOLD.—The work-eligible members of a family shall be considered to be engaged in a direct work activity for an average of 40 hours per week in a month if the family includes an individual who is married, or is a single parent, under age 21, who has not attained 20 years of age, and the individual—

“(i) maintains satisfactory attendance at secondary school or the equivalent in the month;

“(ii) participates in education directly related to employment for an average of at least 20 hours per week in the month.

“(f) REDUCTION OR TERMINATION OF ASSISTANCE FOR FAILURE TO ENGAGE IN DIRECT WORK ACTIVITY.—

“(A) IN GENERAL.—

“(1) IN GENERAL.—

“(i) The document shall

“(A) STATE PLANS.—Section 402(a) (42 U.S.C. 602) is amended by adding at the end the following:

“(1) MARRIAGE PROMOTION.—A State, territorial, or tribal organization to which a grant is made under section 405(a)(2) may use a grant made to the State, territory, or tribal organization under any other provision of title IV of the Social Security Act for marriage promotion activities, and the amount of any such grant so used shall be considered State funds for purposes of section 405(a)(2).”

“(2) FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION DISREGARDED FOR PURPOSES OF MAINTENANCE OF EFFORT REQUIREMENT.—

“(A) IN GENERAL.—For purposes of section 402(a)(7)(B)(i) (42 U.S.C. 602(a)(7)(B)(i)), as amended by section 103(c) of this Act, is amended by adding at the end the following:

“(VI) EXCLUSION OF FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION ACTIVITIES.—

“Such term does not include the amount of any grant made to the State under section 409 that is expended for a marriage promotion activity.”

SEC. 112. PERFORMANCE IMPROVEMENT.

(a) STATE PLANS.—Section 402(a) (42 U.S.C. 602) is amended by adding at the end the following:

“(1) PERFORMANCE IMPROVEMENT.—

“(A) IN GENERAL.—

“(i) The document shall

“(1) IN GENERAL.—

“(A) Participation in qualified activities.—

“(i) In general.—If, with the approval of the State, the work-eligible individuals in a family are engaged in 1 or more qualified activities totaling not more than 40 hours per week in a month, then such engagement in the month shall be considered engagement in a direct work activity, subject to clause (iii).

“(ii) Qualified activity defined.—The term ‘qualified activity’ means an activity specified by the State (subject to the exclusion described in paragraph (1)) that meets such standards and criteria as the State may specify, including—

“(i) substance abuse counseling or treatment;

“(ii) rehabilitation treatment and services; or

“(iii) work-related education or training directed at enabling the family member to work;

“(B) SPECIAL RULE.—

“(i) IN GENERAL.—In the event of a conflict between a requirement of clause (i) or (ii) of paragraph (A) and a requirement of a State constitution, or of a State statute that, before 1996, obligated local government to provide assistance to needy parents and their children, the State constitution or statutory requirement shall control.

“(ii) LIMITATION.—Clause (i) of this subparagraph shall not apply after the 1-year period that begins with the enactment of this subparagraph.”

(g) CONFORMING AMENDMENTS.—

“(1) Section 407(f)(1) (42 U.S.C. 607(f)(1)) is amended in each of paragraphs (1) and (2) by striking “work activity described in subsection (d)” and inserting “‘direct work activity’.”

“(2) The heading of section 409(a)(14) (42 U.S.C. 609(a)(14)) is amended by inserting “or refusing to engage in activities under a family self-sufficiency plan” after ‘‘work’’.

SEC. 111. MAINTENANCE OF EFFORT.

(a) IN GENERAL.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended by adding at the end the following:

“(1) MARRIAGE PROMOTION.—A State, territorial, or tribal organization to which a grant is made under section 405(a)(2) may use a grant made to the State, territory, or tribal organization under any other provision of title IV of the Social Security Act for marriage promotion activities, and the amount of any such grant so used shall be considered State funds for purposes of section 405(a)(2).”

(b) STATE SPENDING ON PROMOTING HEALTHY MARRIAGE.—

“(1) IN GENERAL.—Section 404 (42 U.S.C. 604) is amended by adding at the end the following:

“(1) MARRIAGE PROMOTION.—A State, territorial, or tribal organization to which a grant is made under section 405(a)(2) may use a grant made to the State, territory, or tribal organization under any other provision of title IV of the Social Security Act for marriage promotion activities, and the amount of any such grant so used shall be considered State funds for purposes of section 405(a)(2).”

(2) FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION DISREGARDED FOR PURPOSES OF MAINTENANCE OF EFFORT REQUIREMENT.—

“Such term does not include the amount of any grant made to the State under section 409 that is expended for a marriage promotion activity.”

SEC. 112. PERFORMANCE IMPROVEMENT.
“(III) include specific, numerical, and measurable performance objectives for accomplishing subclauses (I) and (II), and with respect to subsection (c), include objectives consisting of criteria used by the Secretary in establishing performance targets under section 409(a)(4)(B) if applicable; and

(IV) describe the methodology that the State will use to measure performance in relation to each such objective.

(2) by striking subsection (b) and inserting the following:


(1) in the matter preceding paragraph (1), by striking ‘‘and families applying for assistance, and by striking the last comma; and

(2) in paragraph (3), by inserting ‘‘and other programs funded with qualified State expenditures (as defined in section 408(a)(7)(B)(i))’’ before the semicolon.

(3) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

‘‘(1) In general.—Within 3 months after a State submits to the Secretary a report pursuant to section 7502(a)(1)(A) of title 31, United States Code, the Secretary shall analyze the report for the purpose of identifying the extent and nature of problems related to the oversight by the State of nonfederal entities with respect to contracts entered into by such entities with the State program funded under this part, and determining what additional actions may be appropriate to help prevent and correct the problems.

SEC. 113. DATA COLLECTION AND REPORTING.

(a) CONTENTS OF REPORT.—Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting ‘‘and on families receiving assistance under State programs funded with other qualified State expenditures (as defined in section 409(a)(7)(B))’’ before the colon;

(2) in clause (ii), by inserting ‘‘and minor parent of a dependent adult’’;

(3) in clause (vii), by striking ‘‘and educational level’’;

(4) in clause (ix), by striking ‘‘, and if the latter, 2, the amount received’’;

(5) in clause (x)—

(A) by striking ‘‘each type of’’; and

(B) by inserting before the period ‘‘, and, if applicable, the reason for receipt of the assistance for a total of more than 60 months’’;

(6) in clause (xi), by striking the subclauses and inserting the following:

‘‘(I) Subsidized private sector employment.

(II) Unsubsidized employment.

(III) Public sector employment, supervised work experience, or supervised community service.

(IV) On-the-job training.

(V) Job search assistance and placement.

(VI) Training.

(VII) Education.

(VIII) Other activities directed at the purposes of this Act, as specified in the State plan submitted pursuant to section 402;’’

(7) in clause (xii), by inserting ‘‘and progress toward universal engagement’’ after ‘‘participation rates’’;

(8) in clause (xiii), by striking ‘‘type and’’ before ‘‘amount of assistance’’;

(9) in clause (xvi), by striking subclause (II) and redesignating subclause (III) through (V) as subclauses (II) through (IV), respectively; and

(10) by adding at the end the following:

‘‘(vii) Describe any strategies and programs the State may be undertaking to address—

(I) employment retention and advancement for recipients of assistance under the program, including placement into high-demand jobs, and whether the jobs are identified using labor market information;

(II) efforts to reduce teen pregnancy;

(III) services for struggling and non-compliant families, and for clients with special problems; and

(IV) program integration, including the extent to which employment and training services under the program are provided through the One-Stop delivery system created under the Workforce Investment Act of 1998, and the extent to which former recipients of such assistance have access to additional employment or training services funded through such Act.’’; and

(b) CONSULTATION WITH STATE REGARDING PLAN AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1) (42 U.S.C. 612(b)(1)) is amended—

(1) by striking ‘‘and’’ at the end of subclause (I), and inserting ‘‘and’’; and

(2) by adding at the end the following:

‘‘(G) provides an assurance that the State will use to measure State performance under section 403(a)(4)(B) if available; and

(B) by inserting before the period ‘‘, except that the Secretary in subsection (e) a section on oversight of State programs funded under this part and other State programs funded with qualified State expenditures, may be included in the report submitted under this subsection, each eligible State shall submit to the Secretary a report on the number of families and total number of individuals receiving assistance in the period of the report; and

(2) INCLUSION OF PROGRAM OVERSIGHT SECTION IN ANNUAL REPORT TO THE CONGRESS.—The Secretary shall include in each report under subsection (a) a section on oversight of State programs funded under this part, including findings on the extent and nature of the problems referred to in paragraph (1), actions taken to resolve the problems, and to the extent appropriate, make recommendations on changes needed to resolve the problems.’’.

(c) MONTHLY REPORTS ON CASELOAD.—Not later than 3 months after the end of a calendar month that begins 1 year or more after the enactment of this subsection, each eligible State shall submit to the Secretary a report on the number of families and total number of individuals receiving assistance in the period of the report; and

(d) ANNUAL REPORT ON PERFORMANCE IMPROVEMENT.—Not later than 3 months after the end of the fiscal year 2007, each eligible State shall submit to the Secretary a report on achievement and improvement during the preceding fiscal year under the numerical performance goals and measures under the State program funded under this part with respect to each of the matters described in section 408(a)(7)(B)(ii) before the semicolon.

(e) ADDITIONAL REPORTS BY STATES.—Section 411 (42 U.S.C. 611) is amended—

(1) by adding a section preceding subsection (b) as subsection (e); and

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

‘‘ANNUAL REPORTS ON PROGRAM CHARACTERISTICS.—Not later than 90 days after the end of fiscal year 2006 and each succeeding fiscal year, each eligible State shall submit to the Secretary a report on the characteristics of the State program funded under this part and other State programs funded with qualified State expenditures, as described in section 409(a)(7)(B)(i)). The report shall include, with respect to each such program, the program name, a description of program activities, the program purpose, the program eligibility criteria, the sources of program funding, the number of program beneficiaries, sanction policies, and any program work requirements.”
SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.


SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

(a) Secretary’s Funds for Research, Demonstrations, and Technical Assistance.—(1) IN GENERAL.—Section 413 (42 U.S.C. 613), as amended by section 112(c) of this Act, is further amended by adding at the end the following:

‘‘(1) FUNDING FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—

‘‘(1) APPROPRIATION.—

‘‘(A) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $102,000,000 for each of fiscal years 2005 through 2010, which shall be available to the Secretary for the purpose of conducting and supporting studies and demonstration projects by public or private entities, and providing technical assistance to States, Indian tribal organizations, and such other entities as the Secretary may specify that are receiving a grant under this part, which shall be expended primarily on activities described in section 409(a)(2)(B), and which shall be in addition to any other funds made available under this part.

‘‘(B) EXTENDED AVAILABILITY OF FY 2005 FUNDS.—Funds appropriated under this paragraph for fiscal year 2005 shall remain available to the Secretary through fiscal year 2006, for use in accordance with this paragraph for fiscal year 2006.

‘‘(2) SET ASIDE FOR DEMONSTRATION PROJECTS FOR COORDINATION OF PROVISION OF CHILD WELFARE AND TANF SERVICES TO TRIBAL FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

‘‘(A) IN GENERAL.—Of the amounts made available under paragraph (1) for a fiscal year, $2,000,000 shall be awarded on a competitive basis to fund demonstration projects designed to test the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part.

‘‘(B) USE OF FUNDS.—A grant made to such a project shall be used—

‘‘(i) to improve case management for families eligible for assistance from such a tribal program;

‘‘(ii) for supportive services and assistance to tribal children in out-of-home placements and the provision of such services and assistance for such children, including families who adopt such children; and

‘‘(iii) for prevention services and assistance to tribal families at risk of child abuse and neglect.

‘‘(C) REPORTS.—The Secretary may require a recipient of funds awarded under this paragraph to provide the Secretary with such information as the Secretary deems relevant to enable the Secretary to facilitate and oversee the administration of any project for which funds are provided under this paragraph.

‘‘(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of enactment of this Act.

(b) FUNDING OF STUDIES AND DEMONSTRATIONS.—Section 413(b)(1) (42 U.S.C. 613(b)(1)) is amended by striking ‘‘‘‘1997 through 2002’’ and inserting ‘‘‘‘2006 through 2010’’’’.

(c) REPORT ON ENFORCEMENT OF CERTAIN AFFIDAVITS OF SUPPORT AND SPONSOR DEMAND.—Not later than March 31, 2006, the Secretary of Health and Human Services, in consultation with the individual who is the sponsor for the purpose of meeting a subsistence need of the family, shall submit to the Congress a report on the enforcement of affidavits of support and sponsor demand as required by section 421, 422, and 423 of the Social Security Act and Work Opportunity Reconciliation Act of 1996.

(d) REPORT ON COORDINATION.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly submit a report to the Congress describing the data, definitions, performance measures, and reporting requirements in the Workforce Investment Act of 1998 and part A of title IV of the Social Security Act, and to the degree each Secretary deems appropriate, at the discretion of each Secretary, any other program administered by the respective Secretary, to allow greater coordination between the welfare and workforce development systems.

SEC. 116. STUDIES BY THE CENSUS BUREAU AND THE DEPARTMENT OF COMMERCE—ACCOUNTABILITY OFFICE.


(b) GAO Study.—(1) IN GENERAL.—The Comptroller General shall submit a report to the Congress describing the data, definitions, performance measures, and reporting requirements in the Workforce Investment Act of 1998 and part A of title IV of the Social Security Act, and to the degree each Secretary deems appropriate, at the discretion of each Secretary, any other program administered by the respective Secretary, to allow greater coordination between the welfare and workforce development systems.

SEC. 117. DEFINITION OF ASSISTANCE.

(a) IN GENERAL.—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

‘‘(6) ASSISTANCE.—

‘‘(A) IN GENERAL.—The term ‘assistance’ means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the family, including clothing, shelter, and related items, but not including costs of transportation or child care.

‘‘(B) EXCEPTION.—The term ‘assistance’ does not include a payment described in subparagraph (A) to or for an individual or family on a short-term, nonrecurring basis (as determined by the State, in accordance with regulations prescribed by the Secretary)’’.

(b) CONFORMING AMENDMENTS.—(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is amended by striking ‘‘assistance’’ and inserting ‘‘aid’’.

(2) Section 404(f) (42 U.S.C. 604(f)) is amended by striking ‘‘assistance’’ and inserting ‘‘benefits or services’’.

(3) Section 408(a)(5)(B)(i) (42 U.S.C. 608(a)(5)(B)(i)) is amended in the heading by striking ‘‘ASSISTANCE’’ and inserting ‘‘aid’’.

(4) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is amended by striking ‘‘assistance’’ and inserting ‘‘aid’’.

SEC. 118. TECHNICAL CORRECTIONS.

(a) Section 408(c)(2) (42 U.S.C. 608(c)(2)) is amended by inserting a comma after ‘‘appropriate’’.


(c) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is amended by striking ‘‘section’’ and inserting ‘‘sections’’.

(d)(1) Section 413 (42 U.S.C. 613) is amended by redesigning subsections (h) through (j) and subsections (k) and (l) as added by sections 112(c) and 115(a) of this Act, respectively as subsections (g) through (j) of the Act.

(2) Each of the following provisions is amended by striking ‘‘413(j)’’ and inserting ‘‘413(g)’’:


(B) Section 403(a)(5)(F) (42 U.S.C. 603(a)(5)(F)).

(C) Section 408(a)(5)(G)(i) (42 U.S.C. 608(a)(5)(G)(i)).

(D) Section 412(a) (42 U.S.C. 612(a)) in the following:

(1) In the heading, striking ‘‘FATHERHOOD PROGRAM’’

(2) In the first sentence, striking ‘‘Title I’’

(3) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended by striking subsection (g) and redesignating subsection (h) as subsection (g)

SEC. 119. FATHERHOOD PROGRAM.

(a) Short Title.—This section may be cited as the ‘‘Promotion and Support of Responsible Fatherhood and Healthy Marriage Act of 2002’’.

(b) Fatherhood Program.—(1) IN GENERAL.—Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) is amended by striking ‘‘at the end’’ and inserting the following:

‘‘SEC. 117. FATHERHOOD PROGRAM.

‘‘(a) IN GENERAL.—Title IV (42 U.S.C. 601-679b) is amended by inserting after part B the following:

‘‘PART C—FATHERHOOD PROGRAM

SEC. 411. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that there is substantial evidence strongly indicating the urgent need to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children, including data demonstrating the following:

(i) In approximately 84 percent of cases where a parent is absent, that parent is the father.

(ii) If current trends continue, half of all children born today will live apart from one or both of their parents at some point before they turn 18.
 SEC. 441. PROJECTS TO PROMOTE FATHER INVOLVEMENT.

(a) IN GENERAL.—The Secretary may make grants for fiscal years 2006 through 2010 to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplish the objectives specified in section 441(b)(1).

(b) ELIGIBILITY CRITERIA FOR FULL SERVICE GRANTS.—In order to be eligible for a grant under this section, except as specified in subsection (c), an entity must submit an application to the Secretary containing the following:

(1) PROJECT DESCRIPTION.—A statement including—

(A) a description of the project and how it will be carried out, including the geographical area to be covered and the number and characteristics of clients to be served, and how it will address each of the 4 objectives specified in section 441(b)(1); and

(B) a description of the methods to be used by the entity to assess the extent to which the project was successful in accomplishing its specific objectives and the general objectives specified in section 441(b)(1).

(2) EXPERIENCE AND QUALIFICATIONS.—A demonstration of ability to carry out the project, by means such as demonstration of experience in successfully carrying out projects of similar design and scope, and such other information as the Secretary may find necessary for purposes of the entity’s capacity to carry out the project, including the entity’s ability to provide the non-Federal share of project resources.

(3) ELIGIBILITY CRITERIA.—Eligibility criteria, including the entity’s ability to secure non-Federal resources.

(4) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

(5) COORDINATION WITH SPECIFIED PROGRAMS.—Coordinating such activities as outreach and information dissemination, coordination, as appropriate, with employment services and job training programs under the One-Stop delivery system established under title I of the Workforce Investment Act of 1998, encouragement and support of timely payment of current child support under the State’s child support enforcement system, and past due child support obligations in appropriate cases, and other methods.

(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

(7) COOPERATION WITH SECRETARY’S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary’s evaluation of projects assisted under this section.

(8) COOPERATION WITH OTHER ENTITIES.—An agreement to cooperate with State, local, and other Federal entities.

(b) IN GENERAL.—Grants for a project under this section in an amount not less than $25,000 per fiscal year shall be awarded to one eligible entity for each fiscal year.

(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE GRANTS.—In order to be eligible for a grant under this section, an entity must—

(1) To provide for projects and activities by public entities and by nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplishing the following objectives:

(A) Promoting responsible, caring, and effective parenting through counseling, mentoring, and parenting education, dissemination of educational materials and information on parenting skills, encouragement of positive father involvement, including the positive involvement of nonresident fathers, and other methods.

(B) Enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to secure career advancement by activities such as outreach and information dissemination, coordination, as appropriate, with employment services and job training programs under the One-Stop delivery system established under title I of the Workforce Investment Act of 1998, encouragement and support of timely payment of current child support under the State’s child support enforcement system, and past due child support obligations in appropriate cases, and other methods.

(C) Improving fathers’ ability to effectively manage family business affairs by means such as education, counseling, and mentoring in matters including household management, budgeting, banking, and handling of financial transactions, time management, and home maintenance.

(D) Encouraging and supporting healthy marriages, and married fatherhood through such activities as premarital education including the use of premarital inventories, marriage preparation programs, skills-based marriage education programs, marital therapy, substance abuse programs, and reduction programs, divorce mediation and counseling, relationships skills enhancement programs, those designed to reduce child abuse and domestic violence, and dissemination of information about the benefits of marriage for both parents and children.

(E) To evaluate the effectiveness of various approaches to disseminate findings concerning outcomes and other information in order to encourage and facilitate the replication of effective approaches to accomplishing these objectives.

SEC. 442. DEFINITIONS.

In this part, the terms “Indian tribe” and “tribal organization” have the meanings given them in subsections (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act.
SECT. 444. MULTICITY, MULTISTATE DEMONSTRATION PROJECTS.

(a) In General.—The Secretary may make grants under this section for fiscal years 2006 through 2010 to eligible entities (as specified in subsection (b)) for multicity, multistate demonstration projects demonstrating approaches to achieving the objectives specified in section 441(b)(1). One of the projects shall test the use of married couples to deliver program services.

(b) Eligible Entities.—An entity eligible for a grant under this section must be a national nonprofit fatherhood promotion organization that meets the following requirements:

(1) Experience with Fatherhood Programs.—The organization must have substantial experience in designing and successfully conducting programs that meet the purposes described in section 441.

(2) Experience with Multicity, Multistate Programs and Government Coordination.—The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area and in State and in State agencies, including State and local government agencies and private, nonprofit agencies (including community-based, faith-based, and religious organizations), including State or local agencies responsible for child support enforcement and workforce development.

(c) Application Requirements.—In order to be eligible for a grant under this section, an entity shall submit to the Secretary an application that includes the following:

(1) Qualifications.—

(A) Eligible entity.—A demonstration that the entity meets the requirements of subsection (b).

(B) Other.—Such other information as the Secretary may find necessary to demonstrate the entity’s capacity to carry out the project, including the entity’s ability to provide the non-Federal share of project sources.

(2) Project Description.—A description of and commitments concerning the project design, including the following:

(A) Detailed description of the proposed project design and how it will be carried out, which shall—

(i) provide for the project to be conducted in at least 2 metropolitan areas;

(ii) state how it will address each of the 4 objectives specified in section 441(b)(1); and

(iii) demonstrate that there is a sufficient number of low-income fathers to allow the random selection of individuals to participate in the project and for comparisons with appropriate control groups composed of individuals who have not participated in such projects; and

(iv) demonstrate that the project is designed to direct a majority of project resources to serving low-income fathers (but the project need not make services available on a means-tested basis).

(B) Oversight, Evaluation, and Adjustment Component.—An agreement that the entity—

(i) in consultation with the evaluator selected pursuant to section 445, and as required by the Secretary, will modify the project design, initially and (if necessary) subsequently throughout the duration of the project, in order to facilitate ongoing and final oversight and evaluation of project operation and outcomes (by means including, to the maximum extent feasible, random assignment of clients to service recipient and control groups, and other adjustment for midcourse adjustments in project design indicated by interim evaluations;)

(ii) will submit to the Secretary revised descriptions of the project design as modified in accordance with clause (i); and

(iii) will cooperate fully with the Secretary’s ongoing oversight and final evaluation of the project, by means including affording the Secretary access to the project and to project-related records and documents, including

(A) addressing child abuse and neglect and domestic violence.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence, child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence agencies;

(B) addressing concerns relating to substance abuse and sexual activity.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate;

(C) coordination with specified programs.—An undertaking to coordinate, as appropriate, with State and local entities responsible for programs administered under parts A, B, and D of this title, programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

(D) records, reports, and audits.—An agreement to maintain such records, make such reports, and provide such access with such reviews or audits (in addition to those required under the preceding provisions of paragraph (2)) as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

(d) Federal Share.—

(1) In General.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

(2) Non-Federal Share.—The non-Federal share may be provided in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed by non-Federal sources.

SEC. 445. EVALUATION.

(a) In General.—The Secretary, directly or by contract or cooperative agreement, shall require the evaluation of all projects funded under sections 443 and 444 from the standpoint of the purposes specified in section 441(b)(1).

(b) Evaluation Methodology.—Evaluations under this section shall—

(1) include, to the maximum extent feasible, random assignment of clients to service recipients and other appropriate comparisons of groups of individuals receiving and not receiving services; and

(2) describe and measure the effectiveness of the projects in achieving their specific project goals; and

(3) describe and assess, as appropriate, the impact of such projects on marriage, parenting, domestic violence, child abuse and neglect, money management, employment and earnings, payment of child support, and child well-being, health, and education.

(c) Evaluation Reports.—The Secretary shall publish the following reports on the results of the evaluation:

(1) an implementation evaluation report covering the extent to which activities under this part be completed by 36 months after initiation of such activities.

(2) A final report on the evaluation to be completed by September 30, 2013.

SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.

The Secretary shall be authorized, by grant, contract, or cooperative agreement, to carry out projects and activities of national significance relating to fatherhood promotion, including

(1) collection and dissemination of information.—Assisting States, communities, and private entities, including religious organizations, in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, developing, and making available (through the Internet and by means other than those required for the purposes regarding approaches to accomplishing the objectives specified in section 441(b)(1).

(2) Media Campaign.—Developing, promoting, and distributing to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that promotes and encourages responsible marriage and responsible fatherhood.

(3) Technical Assistance.—Providing technical assistance, including consultation and training, to public and private entities, including community organizations and faith-based organizations.

(4) Research.—Conducting research related to the purposes of this part.

SEC. 447. NONDISCRIMINATION.

The projects and activities assisted under this part shall be available on the same basis to all parties able to benefit from such projects and activities, including married and unmarried fathers and custodial and noncustodial fathers, with particular attention to low-income fathers, and to mothers and expectant mothers on the same basis as to fathers.

SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RESERVATION FOR CERTAIN PURPOSES.

(a) Authorization.—There are authorized to be appropriated $20,000,000 for each of fiscal years 2006 through 2010 to carry out the provisions of this part.

(b) Reservation.—Of the amount appropriated under this section for each fiscal year, not more than 15 percent shall be available for the costs of the multicity, multicounty, multistate demonstration projects under section 444, evaluations under section 445, and projects of national significance under section 446.

(2) Clerical Amendment.—Section 116 shall not apply to the amendment made by subsection (a) of this section.

SEC. 120. STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.

Section 608 of the Social Security Act (42 U.S.C. 608) is amended by adding at the end the following:

“(b) State Option to Make TANF Programs Mandatory Partners with One-Stop Employment Training Centers.

Sec. 108 of the Social Security Act (42 U.S.C. 608) is amended by adding at the end the following:

“(b) State Option to Make TANF Programs Mandatory Partners with One-Stop Employment Training Centers. Except for purposes of section 121(b) of the Workforce Investment Act of 1998, a State program funded under part A of title IV of the Social Security Act shall be considered a program referred to in paragraph (1)(B) of such section, unless, after the date of the enactment of
means as determined by the State, to parents of eligible children, child care providers, and the general public, information regarding—

(i) the promotion of informed child care choices, including information about the quality and availability of child care services;

(ii) research and best practices on children’s development, including early cognitive development;

(iii) the availability of assistance to obtain child care services; and

(iv) other programs for which families that receive child care services for which financial assistance is provided under this subchapter may be eligible, including the food stamp program, the WIC program under section 17 of the Child Nutrition Act of 1966, the child and adult care centers program under section 17 of the Richard B. Russell National School Lunch Act, and the Medicaid and SCHIP programs under titles XIX and XXI of the Social Security Act,.

(2) by inserting after subparagraph (H) the following:

(i) coordination with other early child care services and early childhood education programs.—Demonstrate how the State is coordinating child care services provided under this subchapter with Head Start, Early Reading First, Even Start, Ready-To-Learn Television, State pre-kindergarten programs, and other early childhood education programs to expand accessibility to and continuity of care and early education without displacing services provided by the current early care and education delivery system.

(ii) public-private partnerships.—Demonstrate how the State encourages partnerships with private and other public entities to leverage or expand systems of early childhood education and increase the supply and quality of child care services.

(iii) child care service quality.—

(A) certification.—For each fiscal year after fiscal year 2006, certify that during the then preceding fiscal year the State was in compliance with section 658G and describe how funds were used to comply with such section during such preceding fiscal year.

(B) strategy.—For each fiscal year after fiscal year 2006, maintain an outline of the strategy the State is implementing during such fiscal year for which the State plan is submitted, to address the quality of child care services available to low-income parents from eligible child care providers, and include in such strategy—

(1) a statement specifying how the State will address the requirements described in paragraphs (1), (2), and (3) of section 658G; and

(2) a description of quantifiable, objective measures for evaluating the quality of child care services separately with respect to the activities listed in each of such paragraphs that the State will use to evaluate its progress in improving the quality of such child care services.

(III) list of State-developed child care service quality targets for such fiscal year and quantify on the basis of such measures; and

(IV) for each fiscal year after fiscal year 2006, a report on the progress made to achieve such targets during the then preceding fiscal year.

(3) rule of construction.—Nothing in this subparagraph shall be construed to require the State to provide measures for evaluating quality to specific types of child care providers.

(4) access to care for certain populations.—Demonstrate how the State is addressing the child care needs of parents eligible for assistance with nontraditional hours, or require child care services for infants or toddlers.

SEC. 205. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858G) is amended to read as follows:

SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE SERVICES.

"A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 6 percent of the amount of such funds for activities provided through resource and referral services or other means, that include improving the availability of child care services in the State available to low-income parents from eligible child care providers. Such activities include—

(1) activities that provide training, education, and other professional development activities to enhance the skills of the child care workforce, including training opportunities for caregivers in informal care settings;

(2) activities within child care settings to enhance early learning for young children, to promote early literacy, and to foster school readiness;

(3) initiatives to increase the retention and re-certification of child care providers, including tiered reimbursement rates for providers that meet quality standards as defined by the State; or

(4) other activities deemed by the State to improve the quality of child care services provided in such State.

SEC. 206. REPORT BY SECRETARY.

Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858L) is amended to read as follows:

SEC. 658L. REPORT BY SECRETARY.

"(a) REPORT REQUIRED.—Not later than October 1, 2007, and biennially thereafter, the Secretary shall prepare and submit to the Congress a report that contains the following:

"(1) A summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 658P.

"(2) Aggregated statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs.

"(3) An assessment of the effectiveness and, where appropriate, recommendations for the Congress concerning efforts that should be undertaken to improve the access of the public to quality and affordable child care in the United States.

"(4) Collection of information.—The Secretary may utilize the national child care data system available through resource and referral organizations at the local, State, and national level to collect the information required by subsection (a)(2).

SEC. 207. DEFINITIONS.

Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858P(4)(B)) is amended by striking "85 percent of the State median income" and inserting "income level as established by the State, if such level is less than 85 percent of the State median income charitable and non-profit organizations".

SEC. 208. ENTITLEMENT FUNDING.

Section 410(a)(3) (42 U.S.C. 618(a)(3)) is amended by adding at the end of subsection (a) the following:

"(G) $2,917,000,000 for each of fiscal years 2006 through 2010.

"
TITLe III—CHILD SUPPORT

SEC. 301. FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended—

(1) in paragraph (1)(A), by inserting “subject to paragraph (7)” before the semicolon; and

(2) by adding at the end the following:

“(7) FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.—Notwithstanding paragraph (1), a State shall not be required to pay to the Federal Government the Federal share of an amount collected during a month on behalf of a family that is a recipient of assistance under the State program funded under part A, to the extent that—

(A) the State distributes the amount to the family;

(B) the total of the amounts so distributed to the family during the month—

(i) exceeds the amount (if any) that, as of December 31, 2001, was required under State law to be distributed to a family under paragraph (1)(B); and

(ii) does not exceed the greater of—

(I) $100; or

(II) $50 plus the amount described in clause (i); and

(C) the amount is disregarded in determining the amount and type of assistance provided to the family under the State program funded under part A.

(2) by striking paragraphs (2) and (3).”.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2007.

SEC. 302. STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) as amended by section 301(a) of this Act, is amended—

(1) in paragraph (2)(B), in the matter preceding clause (i), by inserting “except as provided in paragraph (8),” after “shall;” and

(2) by adding at the end the following:—

“(8) STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.—In lieu of applying paragraph (2) to any family described in paragraph (2), a State may distribute to the family any amount collected during a month on behalf of the family.”.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2007.

SEC. 303. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDER FOR FAMILIES RECEIVING TANF.

(a) IN GENERAL.—Section 466(a)(10)(A)(i) (42 U.S.C. 666(a)(10)(A)(i)) is amended—

(1) by striking “parent, or,” and inserting “parent or;” and

(2) by striking “upon the request of the State agency under the State plan or of either parent.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 304. MANDATORY FEE FOR SUCCESSFUL CHILD SUPPORT COLLECTION FOR FAMILY THAT HAS NEVER RECEIVED TANF.

(a) IN GENERAL.—Section 456(b)(B) (42 U.S.C. 654(b)(B)) is amended—

(1) by inserting “(i)” after “(B);”;

(2) by redesignating clauses (i) and (ii) as subclauses (i) and (ii) respectively;

(3) by adding “and” after the semicolon; and

(4) by adding after and below the end the following:

“(ii) in the case of an individual who has never received assistance under a State program funded under part A and for whom the State has collected at least $500 of support, the State shall impose an annual fee of $25 for each case in which services are furnished, which shall be retained by the State from support collected on behalf of the individual (but not from the 1st $500 so collected), paid by the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and such fees shall be considered income to the program);”.

(b) CONFORMING AMENDMENT.—Section 457(a)(3) (42 U.S.C. 657(a)(3)) is amended to read as follows:

“(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 456(b)(ii).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 305. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents of child support has been collected but not yet distributed. The report shall include an estimate of the total amount of undisputed child support and the average length of time it takes undistributed child support to be distributed. To the extent the Secretary deems appropriate, the Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undisputed child support.

SEC. 306. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.

(a) IN GENERAL.—Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by striking “$5,000” and inserting “$2,500.”

(b) CONFORMING AMENDMENT.—Section 452(k)(3) (42 U.S.C. 652(k)(3)) is amended by striking “$5,000” and inserting “$2,500.”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 307. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

(a) IN GENERAL.—Section 464 (42 U.S.C. 664) is amended—

(1) in subsection (a)(2)(A), by striking “as that term is defined for purposes of this paragraph under subsection (c)” and inserting “as defined for purposes of this paragraph”;

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “(1) Except as provided in paragraph (2), as used in” and inserting “In each case”;

(ii) by striking “(whether or not a minor)” after “child” each place it appears;

and

(B) by striking paragraphs (2) and (3).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 308. GARNISHMENT OF COMPENSATION PAID TO VETERANS AND MEMBERS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE CHILD SUPPORT.

(a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended—

(1) in paragraph (1)(A)(i)(V), by striking all that follows “Armed Forces” and inserting “a semicolon; and

(2) by adding at the end the following:

“(B) LIMITATIONS ON PAYMENT TO COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES.—Notwithstanding any other provision of this section—

“(i) for payment of alimony; or

“(ii) the payment of child support if the individual is fewer than 60 days in arrears in payment of the support.”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 309. IMPROVING FEDERAL DEBT COLLECTION PRACTICES.

(a) IN GENERAL.—Section 3716(b)(3) of title 31, United States Code, is amended to read as follows:

“(3) In applying this subsection with respect to any debt owed to a State, other than a support being enforced by the State, subsection (c)(3)(A) shall not apply. Subsection (c)(3)(A) shall apply with respect to past due support being enforced by the State notwithstanding any other provision of law, including sections 207 and 1631(d)(1) of the Social Security Act (42 U.S.C. 407 and 1320c(d)(1), section 415(b) of Public law 81-173 (30 U.S.C. 926(b)), and section 14 of the Act of August 29, 1935 (45 U.S.C. 231m)(i).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006.

SEC. 310. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDING.

Section 452(l) (42 U.S.C. 652(l)) is amended by inserting “or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater,” before “which shall be available”.

SEC. 311. MAINTENANCE OF FEDERAL PARENT LOCATOR SERVICE FUNDING.

Section 453(o) (42 U.S.C. 653(o)) is amended—

(1) in the 1st sentence, by inserting “or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater,” before “which shall be available”; and

(2) in the 2nd sentence, by striking “for each of fiscal years 1997 through 2001”.

TITLE IV—CHILD WELFARE

SEC. 401. EXTENSION OF AUTHORITY TO PROVE DEMONSTRATION PROJECTS.

(a) In General.—Section 1309(a)(2) (42 U.S.C. 1320a-9(a)(2)) is amended by striking “2005” and inserting “2010”.

SEC. 402. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS.

(a) In General.—Section 1309(a)(2) (42 U.S.C. 1320a-9(a)(2)) is amended by striking “more than 10”.

SEC. 403. ELIMINATION OF LIMITATION ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT DEMONSTRATION PROJECTS ON SAME TOPIC.

(a) In General.—Section 1309 (42 U.S.C. 1320a-9) is amended by adding at the end the following:

“(b) No Limit on Number of States That May Be Granted Waivers to Conduct Same or Similar Demonstration Projects.—The Secretary shall not refuse to grant a waiver to a State under this section on the grounds that a purpose of the waiver or of the demonstration project for which the waiver is necessary would be the same as or similar to a purpose of another waiver or project that is or may be conducted under this section.”.
SEC. 404. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS THAT MAY BE GRANTED TO A SINGLE STATE FOR DEMONSTRATION PROJECTS.

Section 1310 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

"(i) NO LIMIT ON NUMBER OF WAIVERS GRANTED TO DEMONSTRATION PROJECTS THAT MAY BE CONDUCTED BY A SINGLE STATE.—The Secretary shall not impose any limit on the number of waivers that may be granted to a State, or the number of demonstration projects that a State may be authorized to conduct, under this section.".

SEC. 405. STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS TO AND EXTENSIONS OF DEMONSTRATION PROJECTS REQUIRING WAIVERS.

Section 1310 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

"(j) Streamlined Process for Consideration of Amendments and Extensions.—The Secretary shall develop a streamlined process for consideration of amendments and extensions proposed by States to demonstration projects conducted under this section.

SEC. 406. AVAILABLE OFFICE OF REPORTS.

Section 1310 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

"(k) Availability of Reports.—The Secretary shall make available to any State or other interested party any report provided to the Secretary under subsection (f)(2), and any evaluation or report made by the Secretary to a demonstration project conducted under this section, with a focus on information that may promote best practices and program improvements.

SEC. 407. TECHNICAL CORRECTION.

Amended by striking...

TITLE V—SUPPLEMENTAL SECURITY INCOME

SEC. 501. REVIEW OF STATE AGENCY BELLNESS AND DISABILITY DETERMINATIONS.

Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following:

"(e)(1) The Commissioner of Social Security shall review determinations made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specific date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

"(2) In carrying out paragraph (1), the Commissioner of Social Security shall review—

"(i) at least 20 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2006; and

"(ii) at least 40 percent of all such determinations that are made in fiscal year 2007; and

"(iii) at least 50 percent of all such determinations that are made in fiscal year 2008 or thereafter.

"(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.

TITLE VI—STATE AND LOCAL FLEXIBILITY

SEC. 601. PROGRAM COORDINATION DEMONSTRATION PROJECTS.

(a) Purpose.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce, and other programs for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and provide more coordinated and effective delivery.

(b) Definitions.—In this section:

(1) Administering Secretary.—The term ‘administering Secretary’ means, with respect to a qualified program, the head of the Federal agency responsible for administering the program.

(2) Qualified Program.—The term ‘qualified program’ means—

(A) a program under part A of title IV of the Social Security Act;

(B) the program under title XX of such Act;

(C) activities funded under title I of the Workforce Investment Act of 1998, except subtitle C of such Act;

(D) a demonstration project authorized under section 505 of the Family Support Act of 1988;

(E) activities funded under the Wagner-Peyser Act;

(F) activities funded under the Adult Education and Family Literacy Act;

(G) activities funded under the Child Care and Development Block Grant Act of 1990;

(H) activities funded under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), except that such term shall not include—

(i) any program for rental assistance under section 8 of such Act (42 U.S.C. 1437f); and

(ii) the demonstration project under section 7 of such Act (42 U.S.C. 1437e) for designating public housing for occupancy by certain populations;

(I) activities funded under title I, II, III, or IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 et seq.); or

(J) the food stamp program as defined in section 3(b) of the Food Stamp Act of 1977 (7 U.S.C. 2022(h)).

(c) Application Requirements.—The head of a State entity or of a sub-State entity administering 2 or more qualified programs proposed to be included in a demonstration project under this section shall (or, if the project is proposed to include qualified programs administered by 2 or more such entities, the heads of the administering entities (each of whom shall be considered an applicant for purposes of this paragraph) shall jointly) submit to the administration Secretary of each such program an application that contains the following:

(1) Programs Included.—A statement identifying each qualified program to be included in the project, and describing how the purposes of such program will be achieved by the project.

(2) Population Served.—A statement identifying the population to be served by the project and specifying the eligibility criteria to be used.

(3) Description and Justification.—A detailed description of the project, including—

(A) a description of how the project is expected to improve or enhance achievement of the purposes of the programs to be included in the project, from the standpoint of quality, of cost-effectiveness, or of both; and

(B) a description of the performance objectives for the project, including any proposed modifications to the performance measures and reporting requirements used in the programs.

(4) Waivers Requested.—A description of the statutory and regulatory requirements with respect to which a waiver is requested in order to carry out the project, and a justification of the need for such waiver.

(5) Cost Neutrality.—Such information and data as the head of the administering Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of subsection (d)(4).

(d) Approval of Applications.—The administering Secretary shall determine that an application submitted pursuant to subsection (c) may be approved and, except as provided in paragraph (2), waive any requirement applicable to the program, to the extent consistent with this section and necessary and appropriate to the conduct of the demonstration project proposed in the application, if the administering Secretary determines that the project—

(A) has a reasonable likelihood of achieving the objectives of the programs to be included in the project;

(B) may reasonably be expected to meet the applicable cost neutrality requirements of paragraph (4), as determined by the Director of the Office of Management and Budget; and

(C) includes the coordination of 2 or more qualified programs.

(2) Provisions Excluded from Waiver Authority.—A waiver shall not be granted under paragraph (1) with respect to any provision of law relating to—

(iii) maintenance of effort requirements;

(iv) health or safety;

(v) standards under the Fair Labor Standards Act of 1938; or

(vi) environmental protection.

(b) with respect to section 241(a) of the Adult Education and Family Literacy Act;

(c) in the case of a program under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), with respect to any requirement under section 505 of such Act (42 U.S.C. 1437f–1; relating to public housing agency plans and resident advisory boards);

(d) in the case of a program under the Workforce Investment Act, with respect to any requirement the waiver of which would violate section 189(i)(4)(A)(i) of such Act;

(e) in the case of the food stamp program (as defined in section 3(b) of the Food Stamp Act of 1977 (7 U.S.C. 2022(h)), with respect to any requirement under—
(i) section 6 (if waivering a requirement under such section would have the effect of expanding eligibility for the program), (7(b) or 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); (ii) title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 611 et seq.); (F) any waiver requested that the administering Secretary is deemed to be granted, except to the extent inconsistent with paragraph (2) or (4) of this subsection; (G) the demonstration project under this section may be approved for a term of not more than 5 years.

(1) REPORT ON DISPOSITION OF APPLICATIONS.—Within 90 days after an administering Secretary receives an application pursuant to subsection (a) of this section, the administering Secretary shall submit to each Committee of the Congress which has jurisdiction over a qualified program identified in the application, a description of the decision of the administering Secretary with respect to the application, and the reasons for approving or disapproving the application.

(2) REPORTS ON PROJECTS.—Each administering Secretary shall provide annually to the Congress a report concerning demonstration projects approved under this section, including—

(A) the projects approved for each applicant; (B) the number of waivers granted under this section, and the specific statutory provisions waived; (C) how well each project for which a waiver is granted is improving or enhancing program achievement from the standpoint of quality, cost-effectiveness, or both; (D) how well each project for which a waiver is granted is meeting the performance objectives specified in subsection (c)(3)(B); (E) how each project for which a waiver is granted is conforming with the cost-neutrality requirements of subsection (d)(4); and (F) to the extent the administering Secretary deems appropriate, recommendations for modification of programs based on outcomes of the projects.

(3) AMENDMENT TO UNITED STATES HOUSING ACT OF 1937.—Section 602 of such Act is amended by striking the phrase "the Secretary" and inserting in lieu thereof "the lead agency for the State".

(4) DURATION OF PROJECTS.—A demonstration project under this section may be approved for a term of not more than 5 years.

(1) INTERVALS BETWEEN APPLICATIONS.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following new paragraphs:

(18) Program coordination demonstration projects.—In the case of an agency that administers a food stamp program under section 601 of such Act, the information that is required to be included in the application for the program pursuant to paragraphs (1) through (4) of subsection (a) of such section.

SEC. 602. STATE FOOD ASSISTANCE BLOCK GRANT DEMONSTRATION PROJECT.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

SEC. 28. STATE FOOD ASSISTANCE BLOCK GRANT DEMONSTRATION PROJECT.

(a) Establishment. —The Secretary shall establish a program to make grants to States in accordance with this section to provide—

(1) food assistance to needy individuals and families residing in the State;

(2) funds to operate employment and training program under subsection (g) for needy individuals under the program; and

(3) funds for administrative costs incurred in providing the assistance.

(b) Election. —

(1) In general. —A State may elect to participate in the program established under subsection (a).

(2) Election revocable. —A State that elects to participate in the program established under subsection (a) may subsequently rescind the election of the State only once thereafter. Following the reversal, the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not receive a block grant under this section.

(3) Program exclusive. —A State that is participating in the program established under subsection (a) shall not be subject to, or receive any benefit under, this Act except as provided in this section.

(c) Lead agency. —

(1) Designation. —A State desiring to participate in the program established under subsection (a) shall designate, in an application submitted to the Secretary under subsection (a), an appropriate State agency that complies with paragraph (2) to act as the lead agency for the State.

(2) Duties. —The lead agency shall—

(A) administer, either directly, through other State agencies, or through local agencies, the assistance received under this section by the State; (B) develop the State plan to be submitted to the Secretary under subsection (d)(1); and (C) coordinate the provision of food assistance under this section with other Federal, State, and local programs.

(d) Application and plan. —

(1) Application. —To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by regulation require, including—

(A) an assurance that the State will comply with the requirements of this section;

(B) a State plan that meets the requirements of paragraphs (2) and (3); and

(C) an assurance that the State will comply with the requirements of the State plan under paragraph (3).

(2) Requirements of plan. —

(A) Lead agency. —The State plan shall identify the lead agency.

(B) Use of block grant funds. —The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section (i) to provide food assistance to needy individuals and families residing in the State, other than residents of institutions who are ineligible for food stamps under section 3(i); (ii) to administer an employment and training program under subsection (g) for needy individuals under the program and to provide reimbursements to needy individuals and families as would be allowed under section 16(h)(3); and

(iii) to pay administrative costs incurred in providing the assistance.

IV. Block Grant for other States.—The State plan shall provide that benefits under this section shall be available throughout the entire State.

V. Committee on Appropriations. —The State plan shall provide that an individual or family who applies for, or receives, assistance...
under this section shall be provided with notice of, and an opportunity for, a hearing on, any action under this section that adversely affects the individual or family.

(2) Noncompliance.—In the case of a finding of noncompliance made pursuant to subsection (a) of this section, the term of not more than 5 years. (K) Notice.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being or to be imposed. (L) Right to hearing.—Any person penalized under this section shall be provided an opportunity for a hearing on the allegations giving rise to the penalty.

(iii) Enforcement.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1).

(iv) ALLOTMENTS.—

(a) IN GENERAL.—The term ‘State’ means each of the 50 States, the District of Columbia, Guam, the Virgin Islands of the United States.

(b) STATE ALLOTMENT.—

(i) IN GENERAL.—Except as provided in subparagraph (B), from the amounts made available under section 18 of this Act for each fiscal year, the Secretary shall allot to States to participate in the program established under subsection (a) an amount that is equal to the sum of—

(1) the greater of, as determined by the Secretary—

(ii) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program established under this Act by the State during fiscal year 2005; or

(iii) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 2003 through 2005; and

(iv) the greater of, as determined by the Secretary—

(v) the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (b), respectively, of section 16 of this Act for fiscal year 2005; or

(vi) the average per fiscal year of the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (b), respectively, of section 16 of this Act for each of fiscal years 2003 through 2005.

(2) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amounts that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.

TITLE VII—ABSTINENCE EDUCATION

SEC. 701. EXTENSION OF ABSTINENCE EDUCATION PROGRAM

(a) Extension of Appropriations.—

(1) IN GENERAL.—Section 510(d) (42 U.S.C. 710(d)) is amended in the first sentence by inserting before the period the following: “and for each of the fiscal years 2006 through 2010”.

(2) ADDITIONAL FUNDS.—Activities authorized by section 510 of the Social Security Act shall continue through September 30, 2005, in
the manner authorized for fiscal year 2004, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose, in addition to other amounts appropriated for such purpose for fiscal year 2005. Grants and payments may be made pursuant to this authority through the fourth quarter of fiscal year 2005 at the level provided for such activities through the fourth quarter of fiscal year 2004.

(b) Effective Date.—Subparagraph (a) takes effect upon the date of the enactment of this Act.

(c) Allocation of Funds.—Section 510(a)(42 U.S.C. 710(a)) is amended—

(1) by striking subsection (a)(7) and clause (iv)(II) of that subsection, and inserting "section (a)(7) and clause (iv)(II) of that subsection; and

(2) by inserting at the end of subsection (a)(iv)(II) the following:

"(x) Reductions in Payments for Administrative Costs.—Effective for each of the last 2 calendar quarters in fiscal year 2005 and for each calendar quarter in fiscal year 2006, the Secretary shall reduce the amount paid under subsection (a)(7) to each State by an amount equal to 45 percent for calendar quarters in fiscal year 2005, and 80 percent for calendar quarters in fiscal year 2006, of the amount equal to 45 percent for calendar quarters in fiscal year 2005, and 80 percent for calendar quarters in fiscal year 2006, of one-quarter of the annualized amount determined for the Medicaid program under section 1616(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2026(k)(2)(B)), may be used to pay for costs—

(A) eligible for reimbursement under subsection (a)(7) (or costs that would have been eligible for reimbursement but for this subsection); and

(B) allocated for reimbursement to the program under this title a plan submitted by the Secretary to allocate administrative costs for public assistance programs;

except that, for purposes of subparagraph (A), the reference in clause (iii) of that section to a plan submitted by the Secretary to allocate administrative costs for public assistance programs shall be considered to be a reference to a plan submitted by the Secretary to allocate administrative costs for public assistance programs for fiscal year 2006;

(b) Effective Date.—The amendments made by subsection (a) shall take effect on April 1, 2005.

TITLe VIII—TRANSITIONAL MEDICAL ASSISTANCE


(a) In General.—Section 1925(f) (42 U.S.C. 1396e(f)) is amended by striking "2003" and inserting "2006".

(b) Conforming Amendment.—Section 1903 (42 U.S.C. 1396a(e)) is amended by striking "September 30, 2003" and inserting "the last date (if any) on which section 1925 applies under subsection (f) of that section.

(c) Effective Date.—The amendments made by this section shall take effect on April 1, 2005.
level of safety to American consumers they do not currently enjoy.

(4) According to the Congressional Budget Office, American seniors alone will spend $1,800,000,000 on pharmaceuticals over the next 10 years.

(5) Allowing open pharmaceutical markets could save American consumers at least $65,000,000,000 each year.

SEC. 3. PURPOSES.
The purposes of this Act are as follows:

(1) To give all Americans immediate relief from the outrageously high cost of pharmaceuticals.

(2) To reverse the perverse economics of the American pharmaceutical market.

(3) To allow the importation of prescription drugs if such drugs and facilities where such drugs are manufactured are approved by the Food and Drug Administration, and to exclude pharmaceutical narcotics.

(4) To require that imported prescription drugs be packaged and shipped using counterfeit-resistant technologies.

SEC. 4. AMENDMENTS TO SECTION 804 OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

(a) DEFINITIONS.—Section 804(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(a)) is amended to read as follows:

(1) IN GENERAL.—The term ‘importer’ means a pharmacy, group of pharmacies, pharmacist, or wholesaler.

(2) PERMITTED COUNTRY.—The term ‘permitted country’ means a country, union, or economic area that is listed in subparagraph (A) of section 802(b)(1), except that the Secretary—

(A) may add a country, union, or economic area to such list for purposes of this section if the Secretary determines that the country, union, or economic area has a pharmaceutical infrastructure that is substantially equivalent or superior to the pharmaceutical infrastructure of the United States, taking into consideration pharmacist qualifications, pharmacy storage procedures, the drug distribution system, the drug dispensing system, and market regulation; and

(B) may remove a country, union, or economic area from such list for purposes of this section if the Secretary determines that the country, union, or economic area does not have such a pharmaceutical infrastructure.

(3) PHARMACIST.—The term ‘pharmacist’ means a person licensed by a State to practice pharmacy, including the dispensing and selling of drugs.

(4) PHARMACY.—The term ‘pharmacy’ means a person that is licensed by a State to engage in the business of selling prescription drugs at retail that employs 1 or more pharmacists.

(b) REGULATIONS.—Section 804(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(b)) is amended to read as follows:

(1) IN GENERAL.—The term ‘wholesaler’ means a person licensed as a wholesaler or manufacturers, wholesalers, and individuals to import prescription drugs under section 801(d)(1).

(2) In subparagraph (H) as so redesignated, by striking ‘‘(B) a biological product (as defined in section 351 of the Public Health Service Act (42 U.S.C. 262));’’, and inserting ‘‘(B) a biological product (as defined in section 351 of the Public Health Service Act (42 U.S.C. 262));’’.

(c) REGISTRATION OF EXPORTERS; INSPECTIONS.—Section 804(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(c)) is amended by striking ‘‘prescription drug’’ each place it appears and inserting ‘‘qualifying drug’’.

(d) INFORMATION AND RECORDS.—Section 804(d)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(d)(1)) is amended—

(i) by striking (G) and redesignating subparagraphs (H) through (N) as subparagraphs (G) through (M), respectively;

(ii) in subparagraph (H) (as so redesignated), by striking ‘‘(2) in subparagraph (H)’’ and inserting ‘‘(2) in subparagraph (I)’’;

(iii) in subparagraph (I) (as so redesignated), by striking ‘‘(1)’’ and inserting ‘‘(1)’’;

(iv) in subparagraph (J) (as so redesignated), by striking ‘‘(L)’’ and inserting ‘‘(J)’’;

(v) in subparagraph (K) (as so redesignated), by striking ‘‘(L)’’ and inserting ‘‘(K)’’;

(vi) striking ‘‘e’’ and inserting ‘‘d’’;

(e) TESTING.—Section 804(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(e)) is amended to read as follows:

(i) TESTING.—Section 804(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(e)) is amended to read as follows:

(ii) REQUIREMENT.—Section 804(g) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(g)) is amended by striking ‘‘(2)’’ and inserting ‘‘(1)’’.

(f) REGISTRATION OF EXPORTERS; INSPECTIONS.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(i) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(ii) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(iii) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(iv) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(v) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(vi) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(vii) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(viii) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(ix) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(x) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xi) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xii) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xiii) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xiv) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xv) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xvi) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xvii) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xviii) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xix) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(xx) REQUIREMENT.—Section 804(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(h)) is amended to read as follows:

(3) IN GENERAL.—Any person that seeks to be a registered exporter (referred to in this subsection as the ‘registrant’) shall submit to the Secretary a registration that includes the following:

(A) The name of the registrant and identification of all places of business of the registrant that relate to qualifying drugs, including each warehouse or other facility owned or controlled by, or operated for, the registrant;

(B) An agreement by the registrant to—

(i) make its places of business that relate to qualifying drugs (including warehouses and other facilities owned or controlled by, or operated for, the registrant) available to the Secretary for on-site inspections, without prior notice, for the purpose of determining whether the registrant is in compliance with this Act’s requirements;

(ii) export only qualifying drugs;

(iii) export only to persons authorized to import the drugs;

(iv) notify the Secretary of a recall or withdrawal of a qualifying drug distributed in a permitted country to or from which the registrant has exported or imported, or intend to export or import, to the United States;

(v) monitor compliance with registration conditions and report any noncompliance promptly;

(vi) submit a compliance plan showing how the registrant will correct violations, if any; and

(vii) promptly notify Secretary of changes in the registration information of the registrant.

(4) NOTICE OF APPROVAL OR DISAPPROVAL.—

(A) IN GENERAL.—Not later than 90 days after receiving a completed registration from a registrant, the Secretary shall—

(i) notify such registrant of receipt of the registration;

(ii) assign such registrant a registration number; and

(iii) approve or disapprove the application.

(B) DISAPPROVAL OF APPLICATION.—

(1) IN GENERAL.—The Secretary shall disapprove a registration, and notify the registrant of such disapproval, if the Secretary has reason to believe that such registrant is not in compliance with a registration condition.

(II) SUBSEQUENT APPROVAL.—The Secretary may subsequently approve a registration that was denied under clause (I) if the Secretary finds that the registrant is in compliance with all registration conditions.

(3) LIST.—The Secretary shall—

(A) maintain an up-to-date list of registrants (including qualifying Internet pharmacies that sell qualifying drugs to individuals);

(B) make such list available to the public on the Internet site of the Food and Drug Administration and via a toll-free telephone number; and

(C) update such list promptly after the approval of a registration under this subsection.

(4) EDUCATION OF CONSUMERS.—The Secretary shall carry out activities, by use of the Internet website and toll-free telephone number under paragraph (3), that educate consumers with regard to the availability of qualifying drugs for import for personal use under this section, including information on how to verify whether an exporter is registered.

(5) INSPECTION OF IMPORTERS AND REGISTERED EXPORTERS.—The Secretary shall inspect the warehouses, other facilities, and records of importers and registered exporters as often as the Secretary determines necessary to ensure that such importers and registered exporters are in compliance with this section.

(g) SUSPENSION OF IMPORTATION.—Section 804(g) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 384(g)) is amended by—

(1) striking ‘‘(f)’’ and inserting ‘‘(e)’’;
counterfeit and violative prescription drugs being imported under subsection (b); and
(2) by adding after the period at the end of the following:

The Secretary shall banish the registration fee to a specific importer upon

a determination by the Secretary that the violation has been corrected and that the importer has demonstrated that further violations will not occur. This subsection shall not apply to a prescription drug imported by an individual, or to a prescription drug shipped to an individual by a qualifying Internet pharmacy.

SEC. 5. REGISTRATION FEES.

Subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 357 et seq.) is amended by adding at the end the following:

"PART 5—FEES RELATING TO PRESCRIPTION DRUG IMPORTATION"

"SEC. 740A. REGISTRATION FEE RELATING TO PRESCRIPTION DRUG IMPORTATION.

"(a) Registration Fee.—The Secretary shall establish a registration fee program under which a registered exporter under section 804 shall be required to pay an annual fee to the Secretary in accordance with this subsection.

"(b) Effective Date.—

"(1) Collection on Initial Registration.—A fee under this subsection shall be payable for the fiscal year in which the registered exporter first submits a registration to the Secretary under section 804.

"(2) Collection in Subsequent Years.—After the fee is paid for the first fiscal year, the fee described under this subsection shall be payable on or before October 1 of each year.

"(3) One Fee PER FACILITY.—The fee shall be paid only once for each registered exporter for a fiscal year in which the fee is payable.

"(c) Fee Amount.—

"(1) In General.—The amount of the fee shall be determined each year by the Secretary to take into account the anticipated costs to the Secretary of enforcing the amendments made by the Pharmaceutical Market Access Act of 2006 in the subsequent fiscal year.

"(2) Limitation.—

"(A) In General.—The aggregate total of fees collected under this section shall not exceed 1 percent of the total price of drugs exported annually to the United States by registered exporters under this section.

"(B) Reasonable Estimate.—Subject to the limitation described in subparagraph (A), a fee under this subsection for an exporter shall be an amount that is a reasonable share of the average share of the volume of drugs exported by exporters under this section.

"(d) Use of Fees.—The fees collected under this section shall be used for the purpose of administering this section with respect to registered exporters, including the costs associated with:

"(1) inspecting the facilities of registered exporters, and of other entities in the chain of custody of a qualifying drug;

"(2) developing, implementing, and maintaining a system to determine the registered exporters' compliance with the registration conditions under the Pharmaceutical Market Access Act of 2006, including when shipments of qualifying drugs are originated for import into the United States; and

"(3) inspecting such shipments, as necessary, when offered for import into the United States to determine if any such shipment should be refused admission.

"(e) Annual Fee Setting.—The Secretary shall establish, 60 days before the beginning of each fiscal year beginning after September 30, 2005, for that fiscal year, registration fees.

"(f) Effect of Failure To Pay Fees.—

"(1) Due Date.—A fee payable under this section shall be paid by the date that is 30 days after the date on which the fee is due.

"(2) Failure To Pay.—If an exporter subject to a fee under this section fails to pay the fee, the Secretary shall not permit the registered exporter to engage in exportation to the United States or offering for exportation prescription drugs under this Act until all such fees owed by that person are paid.

"(g) Reports.—

"(1) Fee Establishment.—Not later than 60 days before the beginning of each fiscal year, the Secretary shall publish a report that includes:

"(A) publish registration fees under this section for that fiscal year;

"(B) hold a meeting at which the public may comment on the recommendations;

"(C) provide for a period of 30 days for the public to provide written comments on the recommendations.

"(2) Fiscal Year and Fiscal Report.—Beginning with fiscal year 2005, not later than 60 days after the end of each fiscal year during which fees are collected under this section, the Secretary shall forward a report to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives describing:

"(A) implementation of the registration fee authority during the fiscal year; and

"(B) the use by the Secretary of the fees collected during the fiscal year for which the report is made.

SEC. 6. COUNTERFEIT-RESISTANT TECHNOLOGY.

Subsection (a) of section 804 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 332; deeming drugs and devices to be misbranded) is amended by adding at the end the following:

"(v) If it is a drug subject to section 503(b), unless the packaging of such drug complies with the requirements of section 505C for counterfeit-resistant technologies.

(b) REQUIREMENTS.—Title V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by inserting after section 505B the following:

"SEC. 505C. COUNTERFEIT-RESISTANT TECHNOLOGIES.

"(a) Incorporation of Counterfeit-Resistant Technologies Into Prescription Drug Packaging.—The Secretary shall require that the packaging of any drug subject to section 503(b) incorporate:

"(1) overt optically variable counterfeit-resistant technologies that are described in subsection (b) and comply with the standards established by subsection (c); or

"(2) technologies that have an equivalent function of security, as determined by the Secretary.

"(b) Eligible Technologies.—Technologies described in this subsection—

"(1) shall be visible to the naked eye, providing visual identification, and shall possess authenticity without the need for readers, microscopes, lighting devices, or scanners;

"(2) shall be similar to that used by the Bureau of Engraving and Printing to secure United States currency;

"(3) shall be manufactured and distributed in a highly secure, tightly controlled environment; and

"(4) should incorporate additional layers of non-visible covert security features up to and including forensic capability.

"(c) Standards for Packaging.—

"(1) Multiple Elements.—For the purpose of making it more difficult to counterfeit the packaging of drugs subject to section 503(b), manufacturers of the drugs shall incorporate the technologies described in subsection (b) into multiple elements of the physical packaging of the drugs, including blister packs, shrink wraps, physical packaging labels, package seals, bottles, and boxes.

"(2) Labeling of Shipping Container.—Shipments of drugs described in subsection (a) shall include label documentation on the shipping container that incorporates the technologies described in subsection (b), so that officials inspecting the packages will be able to determine the authenticity of the shipment. Chain of custody procedures shall apply to such labels and shall include procedures applicable to contractual agreements for the manufacture and distribution of the labels and the methods to audit the use of the labels, and database access for the relevant governmental agencies for the audit or verification of the use and distribution of the labels.

"(d) Effective Date.—This section shall take effect 180 days after the date of enactment of the Pharmaceutical Market Access Act of 2005.

SEC. 7. PROHIBITED ACTS.

Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by inserting after subsection (k) the following:

"(1) The failure to register in accordance with section 804(f) or to import or to offer to import a prescription drug in violation of a suspension order under section 804(g).

SEC. 8. PATENTS.

Section 331 of title 35, United States Code, is amended—

"(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

"(2) by adding after the period at the end of the following:

"(m) in a quantity that does not exceed a 90-day supply during any 90-day period; and

"(n) accompanied by a copy of a prescription for the drug, which—

"(i) is valid under applicable Federal and State laws and

"(ii) was issued by a practitioner who is authorized administer prescription drugs.

"(2) Drugs dispensed outside the United States.—An individual may import a prescription drug from a country that is not a permitted country if—

"(A) the drug was dispensed to the individual in such country by a practitioner who is licensed to dispense such drug, and the drug was dispensed in accordance with the laws and regulations of such country;

"(B) the individual is entering the United States and the drug accompanies the individual at the time of entry;

"(C) the drug is approved for commercial distribution in the country in which the drug was obtained; and

"(D) the drug does not appear to be adulterated; and

"(E) the quantity of the drug does not exceed a 90-day supply.

"(3) Repeal of Certain Provisions.—Section 804 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 357 et seq.) is amended by striking subsections (i) and (m).

SEC. 5. REGISTRATION FEES.

Subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 357 et seq.) is amended by adding at the end the following:

"PART 5—FEES RELATING TO PRESCRIPTION DRUG IMPORTATION"

"SEC. 740A. REGISTRATION FEE RELATING TO PRESCRIPTION DRUG IMPORTATION.

"(a) Registration Fee.—The Secretary shall establish a registration fee program under which a registered exporter under section 804 shall be required to pay an annual fee to the Secretary in accordance with this subsection.

"(b) Effective Date.—

"(1) Collection on Initial Registration.—A fee under this subsection shall be payable for the fiscal year in which the registered exporter first submits a registration to the Secretary under section 804.
(2) by inserting after subsection (g) the following:

"(h) It shall not be an act of infringement to use, offer to sell, or sell within the United States, or to import into the United States any patented invention under section 804 (21 U.S.C. 354) of the Federal Food, Drug, and Cosmetic Act (as amended by the Commission) first sold or offered for sale, or held ready for sale, in such foreign country or under authority of the owner or licensee of such patent.".

SEC. 9. OTHER ENFORCEMENT ACTIONS.

(a) Section 804 of the Federal Food, Drug, and Cosmetic Act (as amended by the Commission) is amended by adding at the end the following:

"(l) UNFAIR OR DISCRIMINATORY ACTS AND PRACTICES.—

"(1) IN GENERAL.—It is unlawful for a manufacturer, directly or indirectly (including by being a party to a licensing or other agreement) to—

"(A) discriminate by charging a higher price for a prescription drug sold to a person in a permitted country that exports a prescription drug to the United States under this section than the price that is charged to another person that is in the same country and that does not export a prescription drug into the United States under this section;

"(B) discriminate by charging a higher price for a prescription drug sold to a person in a permitted country that distributes, sells, or uses a prescription drug imported into the United States under this section than the price that is charged to another person in the United States that does not import a prescription drug under this section, or that does not distribute, sell, or use such a drug;

"(C) discriminate by denying supplies of a prescription drug to a person in a permitted country that exports a prescription drug to the United States under this section or distributes, sells, or uses a prescription drug imported into the United States under this section;

"(D) discriminate by specifically restricting the supply of a prescription drug to a person in a permitted country that exports a prescription drug to the United States under this section or distributes, sells, or uses a prescription drug imported into the United States under this section;

"(E) cause there to be a difference (including a difference in active ingredient, route of administration, dosage form, strength, formulation, manufacturing establishment, manufacturing process, or person that manufactures the drug) between a prescription drug in the United States and the drug for distribution in a permitted country for the purpose of restricting importation of the drug into the United States under this section;

"(F) cause there to be a difference (including a difference in active ingredient, route of administration, dosage form, strength, formulation, manufacturing establishment, manufacturing process, or person that manufactures the drug) between a prescription drug in the United States and the drug for distribution in a permitted country for the purpose of restricting importation of the drug into the United States under this section;

"(G) refuse to allow an inspection authorized under this section of an establishment that manufactures a prescription drug that may be imported or offered for import under this section;

"(H) fail to conform to the methods used in, or the facilities used for, the manufacturing, packing, holding, or distributing of a prescription drug that may be imported or offered for import under this section to good manufacturing practice under this Act; and

"(I) apply for a license or other agreement related to a prescription drug that fails to provide for compliance with all requirements of this section with respect to such drug that has resulted in the taking of any civil action for the prohibition of importation of the drug under this section; or

"(J) engage in any other action that the Federal Trade Commission determines to discriminate against a person that engages in, or to impede, delay, or block the process for, the importation of a prescription drug under this section.

"(2) AFFIRMATIVE DEFENSE.—It shall be an affirmative defense to a charge that a person has engaged in a violation of paragraph (1), (B), (C), (D), or (E) of paragraph (1) that the higher price charged for a prescription drug sold to a person, the denial of supplies of a prescription drug to a person, the refusal to do business with a person, or the specific restriction or delay of supplies to a person is not based, in whole or in part, on—

"(A) the person exporting or importing a prescription drug into the United States under this section;

"(B) the person distributing, selling, or using a prescription drug imported into the United States under this section.

"(3) PRESUMPTION AND AFFIRMATIVE DEFENSE.—

"(A) PRESUMPTION.—A difference (including a difference in active ingredient, route of administration, dosage form, strength, formulation, manufacturing establishment, manufacturing process, or person that manufactures the drug) created after January 1, 2005, between a prescription drug for distribution in the United States and the drug for distribution in a permitted country shall be presumed under paragraph (1) to be for the purpose of restricting importation of the drug into the United States under this section.

"(B) AFFIRMATIVE DEFENSE.—It shall be an affirmative defense to the presumption under subparagraph (A) that—

"(i) the difference was required by the country in which the drug is distributed; or

"(ii) the Secretary has determined that the difference was necessary to improve the safety or effectiveness of the drug.

"(4) EFFECT OF SUBSECTION.—

"(A) SALES IN OTHER COUNTRIES.—This subsection applies only to the sale or distribution of a prescription drug in a country if the manufacturer of the drug chooses to sell or distribute the drug in the country. Nothing in this subsection shall be construed to compel the manufacturer of the drug to distribute or sell the drug in a country.

"(B) DISCOUNTS TO INSURERS, HEALTH PLANS, PHARMACY BENEFIT MANAGERS, AND COVERED ENTITIES.—Nothing in this subsection shall be construed to—

"(i) prevent or restrict a manufacturer of a prescription drug from providing discounts to an insurer, health plan, pharmacy benefit manager in the United States, or covered entity in the United States; or

"(ii) require that such discounts be made available to other purchasers of the prescription drug; or

"(C) CHARITABLE CONTRIBUTIONS.—Nothing in this subsection shall be construed to—

"(i) prevent a manufacturer from donating a prescription drug, or supplying a prescription drug at nominal cost, to a charitable organization, including the United Nations and affiliates, or to a government of a foreign country; or

"(ii) require that donations or supplying of a prescription drug.

"(5) ENFORCEMENT.—

"(A) UNFAIR OR DECEPTIVE ACT OR PRACTICE.—Nothing in this subsection shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act.

"(B) ACTIONS BY THE COMMISSION.—The Federal Trade Commission shall enforce this subsection in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of this Federal Trade Commission Act were incorporated into and made a part of this section; and

"(C) EFFECT OF INTERVENTION.—An attorney general of a State may bring a civil action on behalf of residents of the State, and persons doing business in the State, in a district court of the United States for the appropriate jurisdiction for a violation of paragraph (1) to—

"(i) enjoin that practice;

"(ii) enforce compliance with this subsection;

"(iii) obtain damages, restitution, or other compensation on behalf of residents of the State, and persons doing business in the State, including treble damages; or

"(iv) obtain such other relief as the court may consider to be appropriate.

"(II) NOTICE.—

"(I) IN GENERAL.—Before filing an action under clause (i), the attorney general of the State involved shall provide to the Federal Trade Commission—

"(aa) written notice of that action; and

"(bb) a copy of the complaint for that action.

"(II) EXEMPTION.—Subclause (I) shall not apply with respect to the filing of an action by an attorney general of a State under this paragraph, if the attorney general determines that it is not feasible to provide the notice described in that subclause before filing of the action. In such case, the attorney general of a State shall provide notice and a copy of the complaint to the Federal Trade Commission at the same time as the attorney general files the action.

"(6) ACTIONS BY STATES.—

"(A) IN GENERAL.—On receiving notice under subparagraph (A)(ii), the Commission shall have the right to intervene in the action that is the subject of the notice described in that subparagraph before filing of the action.

"(ii) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subparagraph (A), it shall have the right to—

"(I) to be heard with respect to any matter that arises in that action; and

"(II) to file a petition for appeal.

"(C) CONCURRENT JURISDICTION.—Nothing in this subsection shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

"(i) conduct investigations;

"(ii) administer oaths or affirmations; or

"(iii) compel the attendance of witnesses or the production of documentary and other evidence.

"(D) ACTIONS BY THE COMMISSION.—

"(I) IN GENERAL.—In any case in which an action is instituted by or on behalf of the Commission for a violation of paragraph (1), a State may not, during the pendency of that action, institute an action under subparagraph (A) for the same violation against any defendant named in the complaint in that action.

"(II) EFFECT OF INTERVENTION.—An attorney general of a State may intervene, on behalf of the residents of that State, in an action instituted by or on behalf of the Commission under section 1305 of the Federal Trade Commission Act, if the attorney general determines that the action is in substantial conformity with an action described in this paragraph and that the decision in that action would affect the interests of the State, and persons doing business in the State, in a manner adverse to the interests of the State.

"(II) EFFECT OF INTERVENTION.—An attorney general of a State may intervene, on behalf of the residents of that State, in an action instituted by or on behalf of the Commission under section 1305 of the Federal Trade Commission Act, if the attorney general determines that the action is in substantial conformity with an action described in this paragraph and that the decision in that action would affect the interests of the State, and persons doing business in the State, in a manner adverse to the interests of the State.

"(3) Effect of Subsection.—
action instituted by the Commission, such attorney general shall have the right—

(1) to be heard with respect to any matter that arises in that action; and

(2) to move for a final determination for appeal.

(E) VENUE—Any action brought under subparagraph (A) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(F) SERVICE OF PROCESS.—In an action brought under subparagraph (A), process may be served in any district in which the defendant—

(1) is an inhabitant; or

(2) may be found.

(G) LIMITATION OF ACTIONS.—Any action under this paragraph to enforce a cause of action barred under existing law on behalf of the Trade Commission, or the attorney general, of the United States, to enforce a cause of action barred under existing law on behalf of the Trade Commission or the attorney general of a State shall be forever barred unless commenced within 5 years after the Federal Trade Commission, or the attorney general, as the case may be, knew or should have known that the cause of action accrued. No cause of action barred under existing law on the effective date of this Act shall be revived by this Act.

(H) MEASUREMENT OF DAMAGES.—In any action under this paragraph to enforce a cause of action under this subsection, in which there has been a determination that a defendant has violated a provision of this subsection, damages may be proved and assessed by statistical sampling methods, by the computation of illegal overcharges or by such other reasonable system of estimating aggregate damages as the court may permit without the necessity of separately proving the individual claim of, or amount of damage to, persons on whose behalf the suit was brought.

(I) EXCLUSION ON DUPLICATIVE RELIEF.—The district court shall exclude from the amount of monetary relief awarded in an action under this paragraph brought by the attorney general of a State any amount of monetary relief which duplicates amounts which have been awarded for the same injury.

(7) EFFECT ON ANTITRUST LAWS.—Nothing in this subsection shall be construed to modify, impair, or supersede the operation of the antitrust laws. For purposes of this subsection, the term ’antitrust laws’ has the meaning given it in the first section of the Clayton Act, except that it includes section 5 of the Federal Trade Commission Act to the extent that such section 5 applies to unfair methods of competition.

(8) MANUFACTURER.—In this subsection, the term ’manufacturer’ means any entity, including any affiliate or licensee of that entity, that is engaged in—

(A) the production, preparation, propagation, compounding, conversion, or processing of a prescription drug, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical or by a combination of extraction and chemical synthesis; or

(B) the packaging, repackaging, labeling, relabeling, or distribution of a prescription drug.

(9) REGULATIONS.—The Federal Trade Commission shall promulgate regulations to carry out the enforcement program under section 10. such regulations shall be consistent with the Federal Drug, Food, and Cosmetic Act (as added by section a)(3). Such regulations shall be promulgated by the Federal Trade Commission and shall take effect 30 days after the date of publication thereof.

(10) SUSPENSION AND TERMINATION OF EXPERTS.—(a) SUSPENSION.—With respect to the effectiveness of a registration submitted under subsection (f) by a registered exporter:

(1) Subject to clause (ii), if the Secretary determines that there has been a hearing, that the registered exporter has failed to maintain substantial compliance with all registration conditions, the Secretary may suspend the registration.

(ii) If the Secretary determines that, under color of the registration, the registered exporter has engaged in a pattern or practice of violating 1 or more registration conditions, or if on 1 or more occasions the Secretary has under subparagraph (A) suspended the registration of the registered exporter, the Secretary may make the termination permanent, or for a fixed period of not less than 1 year. During the period in which the registration of a registered exporter is terminated, any registration submitted under subsection (f) by such exporter or a person who is a partner in the export enterprise or a principal officer in such enterprise, and any registration submitted on behalf of such exporter or such a person, has no legal effect under this section.

(b) TERMINATION.—The Secretary, after notice and opportunity for a hearing, may terminate the registration submitted under subsection (f) of a registered exporter if the Secretary determines that the registered exporter has engaged in a pattern or practice of violating 1 or more registration conditions, or if on 1 or more occasions the Secretary has under subparagraph (A) suspended the registration of the registered exporter. The Secretary may make the termination permanent, or for a fixed period of not less than 1 year.

I have decided to offer private relief immigration bills on their behalf because I believe that, without this hardworking couple and their three children, United States citizen children would endure an immense and unfair hardship. Indeed, without this legislation, this family may not remain a family for much longer.

The Liangs are foreign nationals facing deportation on account of their overstay of visitors visas and the failure of their previous attorney to timely file a suspension of deportation application before the immigration laws changed in 1996.

Mr. Liang is a foreign national and refugee from Laos. His wife is a citizen of Taiwan. They entered the United States 22 years ago and established residency in the San Bruno, CA. Because they overstayed the terms of their temporary visas, they now face deportation from the United States.

After living here for so many years, removal from the United States would not come easily or perhaps without tearing this family apart. The Liangs have three children born in this country: Wesley, 13 years old, Bruce, 10 years old, and Eva, 7 years old. Young Wesley suffers from asthma and has a history of social and emotional anxiety. The immigration judge who presided over the Liang’s case in 1997 concluded that there was no question that the Liang children would be adversely impacted if they were required to leave this country. They are currently residing in California to follow their parents to Taiwan, a country whose language and culture is unfamiliar to them. And that was 7 years ago. I can only imagine how much more they would be affected had they been given the passage of 7 more years.

The Liangs have filed annual income tax returns; established a successful business, Fong Yong Restaurant, in the United States; are home owners, and are financially successful. Since they arrived in the United States, they have pursued and, to a degree, achieved the American Dream.

Mr. and Mrs. Liang’s quest to legalize their immigration status began in 1993 when they filed for relief from deportation before an immigration judge. The Immigration and Naturalization Service, however, did not act on their application until nearly 5 years later, in 1997, after which time the immigration laws had significantly changed.

According to the immigration judge, had the INS acted on their application for relief from deportation in a timely manner, they would have qualified for suspension of deportation, given that they were long-term residents of this country with US citizen children and other positive factors. By the time INS processed their application, however, Congress passed the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, which changed the requirements for relief from removal to the Liangs’ disadvantage.

I supported the changes of the 1996 law, but I believe sometimes there are exceptions which merit special consideration. The Liangs are such a couple and family. Perhaps what distinguishes this family from many others is that through hard work and perseverance, Mr. Liang has achieved a significant degree of success in the United States while battling a serious form of Post Traumatic Stress Disorder. According to his psychologist, this disorder stems from the persecution he, his family and community experienced in his native
country of Laos during the Vietnam War. Throughout his childhood and adolescence, Mr. Liang was exposed to numerous traumatic experiences, including the murder of his mother by the North Vietnamese and frequent episodes of wartime violence. He also routinely witnessed the brutal executions and deaths of others in his village. In 1975, he was granted refugee status in Taiwan.

The emotional impact of Mr. Liang’s experiences in his war-torn native country have been profound and continue to haunt him. In addition to being diagnosed with Post Traumatic Stress Disorder, his psychologist has also indicated that he suffers from severe clinical depression, which has been exacerbated by the prospect of being deported to Taiwan, where on account of his nationality, he believes he and his family would be treated as second-class citizens. Moreover, Mr. Liang believes that in pursuit of further mental health treatment in Taiwan would only exacerbate the stigma of being an outsider in a country whose language he does not speak. Given those prospects, he also fears the impact such a stigma would have on the well-being and future of his children.

Given these extraordinary and unique facts, I ask my colleagues to support this private relief bill on behalf of the Liangs.

I also ask unanimous consent that the text of the legislation be printed in the RECORD and that the attached letters were ordered to be printed in the RECORD, as follows:

**S. 110**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, two Houses being then in Session:

**SECTION 1. ADJUSTMENT OF STATUS.**

(a) IN GENERAL.—Notwithstanding any other provision of law or any order, for the purpose of reducing the requirements of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Robert Liang and Alice Liang shall be deemed to have been lawfully admitted to, and remained in, the United States and shall be eligible for issuance of an immigrant visa or for adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1255).

(b) APPLICATION AND PAYMENT OF FEES.—

Subsection (a) shall apply only if the applications for issuance of immigrant visas or the applications for adjustment of status are filed with appropriate fees within 2 years after the date of enactment of this Act.

(c) REDUCTION OF IMMIGRANT VISA NUMBERS.—Upon the granting of immigrant visas to Robert Liang and Alice Liang, the Secretary of State shall instruct the proper official to reduce by 2, during the current or subsequent fiscal year, the total number of immigrant visas that are made available to natives of the country of the aliens’ birth under section 202(e) or 203(a) of the Immigration and Nationality Act (8 U.S.C. 1152(e), 1153(a)), as applicable.

Re the Liang Family.

Hon. DIANNE FEINSTEIN, United States Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: Robert and Alice Liang and their son Yong Restaurant at 1065 Holly Street are members in good standing of the San Carlos Chamber of Commerce. As such they have shown their commitment to be members in good standing of the San Carlos Chamber of Commerce. These are two wonderful people in the way they and their business have enhanced our community of San Carlos. Alice and Robert have really created a special community of customers and friends with their restaurant.

It’s hard to describe how much of an asset the Liangs are to our community. They are generous neighbors. They are welcoming people in their doors for people in need from newspaper articles and TV broadcasts. We put together a fund-raising dinner event at Stanford University in which I bought the imported rice and Robert and Alice worked all day cooking a hundred dinners. Together, we raised almost a thousand dollars to help Chloe’s family.

This is not an isolated instance that Robert and Alice have gone out of their way to help others, even while they themselves face deportation. It amazes me that they can think of others at such a time, but that’s the kind of people they are. I am so worried about Robert, especially, because he is still suffering from all the things he saw as a child and a teenager in Laos. People were dragged out and killed in front of him, and his own mother was killed by the Communists before the rest of the family escaped. After two decades in exile, Robert and Alice, and I can’t even think what it will do to him to have that taken away. I want you as my senator to do whatever it takes to make sure that these two wonderful people can stay here where they belong. Please sponsor a private bill and try to convince other members of Congress to support it. If there’s anything I can do to help please let me know.

Sincerely,

Hon. DIANNE FEINSTEIN, Senator, Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: I am writing you as a friend and customer of Robert and Alice Liang of San Bruno, because I understand that you may be considering resubmitting a private bill in their favor. I certainly hope that you do resubmit and support this private relief bill on behalf of the Liangs. They are always trying to help others in need. They never see a half a life away from Alice, and is certainly not Robert’s home. I hope you will resubmit your bill for the Liangs and encourage your fellow members of the Senate to support the Liangs and their request to join us as citizens of the United States.

Thank you so much for your support of the Liangs. Also, please know that I am ready and willing to help you them.

Sincerely,

By Mrs. FEINSTEIN:

S. 111. A bill for the relief of Shigeru Yamada; to the Committee on the Judiciary.

MRS. FEINSTEIN. Mr. President, I offer today private relief legislation to provide lawful permanent residence status to Shigeru Yamada, a 22-year-old Japanese national who lives in Chula Vista, CA.

I have decided to introduce a private bill on his behalf because I believe that Mr. Yamada represents a model American citizen, for whom removal from this country would represent an unfair hardship. Without a doubt, Mr. Yamada will be forced to return to a country in which he lacks any linguistic, cultural or family ties.

Mr. Yamada legally entered the United States with his mother and two sisters in 1987 at the young age of 10. The family was fleeing from Mr. Yamada’s alcoholic father, who had been physically abusive to his mother, the children and even his own parents. Since then, he has had no contact with his father and is unsure if he is even alive. Tragically, Mr. Yamada experienced further hardship when his mother was killed in a car crash in 1995. Orphaned at the age of 13, Mr. Yamada...
spent time living with his aunt before moving to Chula Vista to live with a close friend of his late mother.

The death of his mother marked more than a personal tragedy for Mr. Yamada; it also served to impede the procedure for him to legalize his immigration status. At the time of her death, Mr. Yamada’s family was living legally in the United States. His mother had acquired a student visa for herself and her children qualified as her dependents. Her death revoked her immigration status in the United States. In addition, Mr. Yamada’s mother was engaged to an American citizen at the time of her death. Had she survived, her son would likely have become an American citizen through this marriage.

Mr. Yamada has exhausted all administrative options under our current immigration system. Throughout high school, he contacted attorneys in the hopes of legalizing his status, but his attempts were unsuccessful. Unfortunately, time has run out and, for Mr. Yamada, the only option available to him today is private relief legislation.

For several reasons, it would be tragic for Mr. Yamada to be deported from the United States and forced to return to Japan.

First, since arriving in the United States, Mr. Yamada has lived as a model American. He graduated with honors from Eastlake High School in 2000, 1st in his class, and also excelled in both academics and athletics. Academically, he earned a number of awards including being named an “Outstanding English Student” his freshman year, an All-American Scholar, and earning the United States National Minority Leadership Award. His teacher and coach, Mr. John Inumerable, describes him as being “responsible, hard working, organized, honest, caring and very dependable.” His role as the Vice-President of the Associated Student Body his senior year, and his current role as Mr. Yamada’s high level of leadership, as well as, his popularity and trustworthiness among his peers. As an athlete, Mr. Yamada was named the “Most Inspirational Player of the Year” in Junior Varsity baseball and football, as well as, Varsity football. His football coach, Mr. Jose Mendoza, expressed his admiration by saying that he has “seen in Shigeru Yamada the responsibility, dedication and loyalty that the average American holds to be virtuous.”

Second, Mr. Yamada has distinguished himself as a local volunteer. As a member of the Eastlake High School Link Crew, he helped freshman find their way around campus, offered tutoring and mentorship services, and set an example of how to be a successful member of the student body.

After graduating from high school, he volunteered his time for 4 years as the coach of the Eastlake High School Girl’s softball team. The former head coach, who has since retired, Dr. Charlie Drucker, describes him as an individual full of “integrity” who understands that as a coach it is important to work as a “team player.” His level of commitment to the team was further illustrated to Dr. Sorge when he discovered, halfway through the season, that Mr. Yamada’s commute to and from practice was 2 hours long each way. It took a great deal of courage for Mr. Yamada to volunteer his time to coach and never bring up the issue of how long his commute takes him each day. Dr. Sorge hopes that, once Mr. Yamada legalizes his immigration status, he will be formally hired to continue coaching the team.

Third, sending Mr. Yamada back to Japan would be an immense hardship for him and his family here. Mr. Yamada does not speak Japanese. He is unaware of the nation’s current cultural trends. And, he has no immediate family members that he knows of in Japan. Currently, both of his sisters are in the process of legalizing their immigration status in the United States. His older sister is married to a United States citizen, while his younger sister is being adopted by a maternal aunt, who is a United States citizen. Since as all of his family lives in California, sending Mr. Yamada back to Japan would serve to split his family apart and separate him from everyone and everything that he knows. His sister contends that her younger brother would be “lost” if he had to return to live in Japan on his own. It is unlikely that he would be able to find any gainful employment in Japan due to his inability to speak or read the language.

As a member of the Chula Vista community, Mr. Yamada has distinguished himself as an honorable individual. His teacher, Mr. Robert Hughes, describes him as being an “upstanding ‘All American’ young man.” Until being picked up during a routine check of riders’ immigration status on a city bus, he had never been arrested or convicted of any crime. Mr. Yamada is not, and has never been, a burden on the State. He has never received any Federal or State assistance.

Currently, Mr. Yamada holds sophomore status at Southwestern Community College. However, he is taking this semester off in order to alleviate his financial burdens by working full time. He had hoped to pursue a career in law enforcement, but his plans have recently changed due to his current immigration status dilemma. Until he obtains legal status, Mr. Yamada will be prohibited from pursuing a career in law enforcement. Due to the circumstances, Mr. Yamada has changed his career goal to that of becoming a high school teacher. Mr. Yamada’s commitment to his education is admirable. He could have easily taken a different path but, through his own “individual fortitude,” he has dedicated himself to his studies so that he can live a better life.

With his hard work and giving attitude, Shigeru Yamada represents the ideal American citizen. Although born in Japan, he is truly American in every other sense. I ask you to help right a wrong and grant Mr. Yamada lawful permanent resident status so that he can continue towards his bright future. Given these extraordinary and unique facts, I ask my colleagues to support this private relief bill on behalf of Shigeru Yamada.

I ask unanimous consent that the text of the bill be printed in the RECORD and that the three letters of community support be printed in the RECORD.

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

S. 111

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

SECTION 1. PERMANENT RESIDENT STATUS FOR SHIGERU YAMADA.

(a) In General.—Notwithstanding subsections (a) and (b) of section 245 of the Immigration and Nationality Act (8 U.S.C. 1151), Shigeru Yamada shall be eligible for issuance of an immigrant visa or for adjustment of status to that of a lawful permanent resident if he applies for immigration status to Shigeru Yamada shall be considered to have entered and remained lawfully and shall be eligible for adjustment of status under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1255) as of the date of enactment of this Act.

(b) Adjustment of Status.—If Shigeru Yamada enters the United States before the filing deadline specified in subsection (c), Shigeru Yamada shall be considered to have entered and remained lawfully and shall be eligible for adjustment of status under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1255) as of the date of enactment of this Act.

(c) Deadline for Application and Payment of Fees.—Subsections (a) and (b) shall apply only if the application for issuance of an immigrant visa or the application for adjustment of status is filed with appropriate fees within 2 years after the date of enactment of this Act.

(d) Reduction of Immigrant Visa Numbers.—Upon the granting of an immigrant visa, or permanent or nonpermanent residence to Shigeru Yamada, the Secretary of State shall instruct the proper officer to reduce by 1, during the current or next following fiscal year, the number of immigrant visas that are made available to natives of the country of birth of Shigeru Yamada under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas that are made available to natives of the country of birth of Shigeru Yamada under section 203(b)(1)(A) of that Act.

EASTLAKE HIGH SCHOOL,
Chula Vista, CA, January 17, 2005.

Senator DIANNE FEINSTEIN,
U.S. Senate.
Washington, D.C.

DEAR SENATOR FEINSTEIN: I am more than happy to write this letter on behalf of Shigeru Yamada as he pursues his efforts to stay in the United States. I was Shigeru’s counselor while he attended Eastlake High School. During that time he always displayed exemplary behavior, academic focus, and personal determination. I had the ability to not only handle college-level work, but to thrive on the challenge the university will

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bring. His quiet determination has been an example to his peers and was a joy to his instructors.

Shigeru Yamada not only took the most from his high school experience, but he has consistently “given back” his talents, time, and effort to serve the school community. He was elected ASB-president during his senior year. He demonstrated leadership skills as president of the Inter-Club Council on campus; he mentored incoming ninth-grade students, and worked on various service projects. In addition to his involvement in student government, Shigeru participated in football, baseball, and wrestling. He was the inspirational “Captain of the Year” for both his junior varsity baseball and football teams. He was also awarded the J.T. Franks Memorial Award (most inspirational varsity football player). (This award carries a great deal of respect amongst the players as it is named after a teammate who died of cancer.) Shigeru was a role model for our students when he attended our school: He earned good grades; he was an athlete; and he was involved in a variety of additional activities. He is the kind of student that Eastlake High School has been proud to have.

A further testimony to Shigeru’s character is what he has been doing since graduating. This young man has come back to serve as an assistant football and wrestling coach for our students. He gives his time and energy to working with individual students during the week and on weekends; he not only shows them on how to improve their athletic skills, but he is also a wonderful role model and mentor. He is someone to whom the young men can relate, a person whose opinions are valued. I have personally seen Shigeru interact with these boys; the respect he gives them and the respect they give Shigeru is an absolute indication of the positive influence he has in their lives.

Shigeru is seeking permanent resident status in the United States through a private bill that you have agreed to sponsor. Were his mother still alive, his residency would not be in question. However, since she died a year ago in a car accident, Shigeru has had to get through high school without her guidance and support, and now his future in the United States is in jeopardy. Shigeru Yamada has already proven himself to be a hard-working, law-abiding, goal-oriented young man. He has already proven himself to be a productive member of society. And, most importantly, Shigeru wants to not only take the best this society has to offer, but to also give back to the society to make it a better place for those around him.

The irony of this situation is that the Fulops face deportation. They face deportation, in part, because the INS did not interview them until 1998. By the time their applications were considered, the new 1996 immigration law had taken effect. Given their one-time 90 day trip outside the United States before they were eligible for relief pursuant to the cancellation of removal provisions of the Immigration and Nationality Act.

One cannot help but conclude that had the INS acted on the Fulop’s applications for relief from deportation in a timelier manner, they would have qualified for suspension of deportation under the pre-1996 law, given that they were long-term residents of the United States with U.S. citizens children and many positive factors in their favor.

The House of Representatives is an exceptional asset to their community. Mrs. Fulop has served as a Sunday school teacher and volunteers regularly at Heritage K-8 Charter School in Escondido. Mrs. Morris, a Heritage K-8 Charter School faculty member says in her letter of support, “[t]he family is an exceptional asset to their community.” Mrs. Fulop has served as a Sunday school teacher and volunteers regularly at Heritage K-8 Charter School in Escondido. Mrs. Morris, a Heritage K-8 Charter School faculty member says in her letter of support that Mrs. Fulop is ‘...a valuable asset to our school and community.’

As President, this is a tragic situation. Essentially, as happened to many families under the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, the rules of the game were
changed in the middle. When the Fulops applied for relief from deportation they were eligible for suspension of deportation by the time the INS got around to their application, nearly three years later, they were no longer eligible and in fact suspension of deportation as a form of relief ceased to exist.

The Fulops today have been in the United States since the early 1960s. Most harmful is the effect that their deportation will have on the children, all of whom were born here and who range from one year old to 17 years of age. Their eldest, Dennis, is a 4.0 honor student at Palomar Community College having graduated from high school one year early. His sister, Linda, has a 3.8 grade point average and is an honor student in high school.

It is my hope that Congress sees fit to provide an opportunity for this family to remain together in the United States for many more years to come, the profound sadness they have already experienced and the harm that would come from their deportation to their six U.S. citizen children.

Mr. President, I ask unanimous consent that the text of the bill and three letters be printed in the RECORD.

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

S. 112

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

SECTION 1. ADJUSTMENT OF STATUS.

(a) In General.—Notwithstanding any other provision of law or any order, for the purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Denes Fulop and Gyorgyi Fulop shall be deemed to have been lawfully admitted to, and remained in, the United States, and shall be eligible for issuance of an immigrant visa or for adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1255).

(b) APPLICATION AND PAYMENT OF FEES.—Subsection (a) shall apply only if the applications for issuance of immigrant visas or the applications for adjustment of status are filed with appropriate fees within 2 years after the date of enactment of this Act.

(c) REDUCTION OF IMMIGRANT VISA NUMBERS.—Upon the granting of immigrant visas to Denes Fulop and Gyorgyi Fulop, the Secretary of State shall instruct the proper officer to reduce by 2, during the current or subsequent fiscal year, the total number of immigrant visas that are made available to natives of the country of the aliens, birth under section 202(e) or 203(a) of the Immigration and Nationality Act (8 U.S.C. 1152(e), 1153(a)), as applicable.

APOTOLIC CHRISTIAN CHURCH
OF SAN DIEGO.
Escondido, CA, January 14, 2005.

Re the Denes Fulop Family.

To Whom It May Concern: My family and I have known Denes and Joy Fulop for many years. They have been members in good standing in our church for approximately 20 years. Denes has served the congregation faithfully in many capacities. He was a building committee member during the construction of our church 10 years ago. He also served as church treasurer for four years and Sunday school superintendent for many years. Presently he is a member on the board of trustees.

Joy Fulop was a building sub-committee member during the construction of the church and also served for a few years as a Sunday school teacher. Joy is a devoted and hardworking homemaker, and a wonderful example of a loving mother and wife. Their three younger children, Elizabeth, Sarah and Abigail are actively involved in Sunday school and various church activities. The two oldest, Denny and Linda, are also active in the church. They are very diligent and excellent students in High School and outstanding citizens.

The family is an exceptional asset to their community. Denes has been self-employed for many years and is a knowledgeable and successful contractor. His family has never depended on any government aid, but rather contributes and shares their blessings with others. Denes, Joy, and their six children are truly an asset to our church and community.

Should you have any further questions, please don’t hesitate to contact me.

Respectfully submitted,

Peter Petrovic,
Pastor.

HERITAGE K-8 CHARTER SCHOOL.
Escondido, CA, January 14, 2005.

To Dear Members of Congress, I am writing this letter on behalf of the Fulop Family. I want to express my appreciation for Mrs. Fulop’s involvement at our elementary school.

Abigail Fulop is a successful kindergarten student in my classroom above first grade level. Sarah and Elizabeth Fulop attend Heritage charter as well and are outstanding students.

Mrs. Fulop volunteers on a regular basis in my kindergarten classroom helping students become better readers. She takes a reading group and works on reading strategies that also increase students’ reading comprehension.

Recently she participated in a cooking demonstration for the class. She also takes time out of her busy schedule to help her daughter’s third grade teacher plan and prepare for field trips.

In all these things I have confidence that she is a valuable asset to our school and community. Please consider supporting their desire to remain in this country. Please feel free to contact me with any questions.

Sincerely,

Mrs. Morris.

RON RIMMER CONSTRUCTION INC.,
Cardiff, CA, January 13, 2005.

Re the Denes Fulop Family.

To Whom It May Concern: The purpose of this letter is to describe my relationship with Dennis Fulop, whom I have known for approximately twenty-two years.

As a building contractor in the San Diego area I have been fortunate to have worked with Dennis for most of those years. He has constructed nearly all of the foundations for the room additions and new houses that I have built. Dennis also constructed most of the driveways, sidewalks, retaining walls, fireplaces and masonry on my projects. He has also attended to much of my finish grading, drainage and backhoe construction needs.

Dennis has long been an invaluable member of my construction team. He is very knowledgeable in nearly all construction matters. He has always been very reliable and responsible in meeting deadlines and upholding high standards of construction quality.

Dennis is also a very successful small business owner. He has his own credit accounts with all of the necessary construction suppliers and to my knowledge has always paid his bills in a timely manner. In fact, I have never been contacted or liened by any of his suppliers to date. Dennis is also very proficient at managing and providing work for his employees.

Mrs. Fulop is a dedicated wife and mother to their six children.

I am very thankful to know the Fulop family personally and I can assure you their values and deeply held convictions make them valuable contributors to their local community and society as a whole.

Sincerely,

RON RIMMER,
President.

By Mrs. FEINSTEIN:
S. 113. A bill to modify the date as of which certain tribal land of the Lytton Rancheria of California is deemed to be held in trust; to the Committee on Indian Affairs.

Mr. President, I rise today to introduce legislation that would strike a small provision in the Omnibus Indian Advancement Act of 2000; language that circumvents the Indian Gaming Regulatory Act’s common-sense provisions and safeguards the inappropriate siting of Nevada-style casinos.

In December 2000, a one-paragraph provision was attached to the Omnibus Indian Advancement Act taking land into trust for a single Indian tribe—the Lytton—with the aim of allowing the tribe to bypass the federal and state review process and expedite plans to establish a large, off-reservation gaming complex in an urban area near San Francisco. Most striking, this provision included a clause which mandated that the Secretary of Interior backdate the acquisition of this land to October 17, 1988—despite the fact that the land was actually taken into trust in 2004. This backdating permitted the tribe to completely circumvent the Indian Gaming Regulatory Act’s requirements for gaming on newly acquired lands and avoid an important consultative process prescribed in federal law.

Today California is home to 110 federally recognized tribes. Sixty-six tribes have gaming compacts with the state and there are 57 tribal casinos. With more than 50 tribes seeking federal recognition and approximately 25 recognized tribes seeking gaming compacts from the Governor, revenues from California’s tribal gaming industry are expected to be the highest of any state’s by the end of the decade. According to the latest statistics released by the National Indian Gaming Commission, in 2003 California by itself accounted for about half of the increase in gaming revenues nationwide.

Mr. President, I have serious reservations about the expansion of Nevada-style gaming—with its slot machines and In-house banking—into urban areas, and I am particularly concerned about off-reservation gambling and “reservation shopping”. Off-reservation casinos often cause counties and local communities to lose property and sales taxes and are responsible for an increase of traffic and crime within local communities.

I am very thankful to know the Fulop family personally and I can assure you their values and deeply held convictions make them valuable contributors to their local community and society as a whole.

Sincerely,

RON RIMMER,
President.
That is why Section 20 of the Indian Gaming Regulatory Act requires that tribes complete a "two-part determination" process prior to engaging in Class III gaming on newly acquired, or offreservation lands. Under this law, tribes must first file a game on land application with the Interior. After October 17, 1988, must receive the approval of both the state Governor and the Secretary of the Interior. In addition, this process requires that the Secretary of the Interior consult with local communities and nearby tribes before making a final decision in these cases.

In August 2004, the Lytton tribe and the Governor of my state reached an agreement on a compact that would have permitted a 12-story hotel-casino on 6 acres in the city of San Rafael near San Francisco. At the time, the tribe was in negotiations with the City of San Rafael, the County of Marin, and the State of California to explore the siting of casinos. This law works. It set a dangerous precedent not to allow for a 2,500 slot casino, while permitting the tribe to negotiate for additional slots in 2008. This latest proposal remains unratified by the State Legislature.

Mr. President, without this legislation, theLyton tribe will be able to open a massive gambling complex in a metropolitan area outside the regulations set up by the Indian Gaming Regulatory Act. Allowing this to happen would set a dangerous precedent not only for California, but every state where tribal gaming is permitted.

The week today is extremely limited. This legislation would not reverse restoration of the tribe. It would not infringe on Native American sovereignty. It does not affect the land acquisition or even block the casino proposed deal to give the tribe the resources to negotiate with the State and the local communities a voice in the process and ensure that gaming continues to be organized within the framework of the Indian Gaming Regulatory Act.

The Indian Gaming Regulatory Act has provided this Nation with a fair and balanced approach to Indian gaming by facilitating tribal plans for economic recovery without compromising a multiplicity of factors that should be taken into account when deciding on the siting of casinos. This law works. It is a fair process that should continue to be followed.

It is simply not asking too much to require that Lytton be subject to the regulatory and approval processes applicable to newly acquired tribal lands by the Indian Gaming Regulatory Act. I hope my colleagues will support this legislation and I look forward to working with the Chairman and Ranking Member of the Indian Affairs Committee to pass this legislation quickly.

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

S. 113
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LYTON RANCHERIA OF CALIFORNIA.

Section 209 of the Omnibus Indian Advancement Act (114 Stat. 2019) is amended by striking the last sentence.

By Mr. KERRY (for himself, Mr. Kennedy, Mrs. Murray, Mr. Lautenberg, Mr. Corzine, and Ms. Cantwell):

S. 114. A bill to amend titles XIX and XXI of the Social Security Act to ensure that every uninsured child in America has health insurance coverage, and for other purposes; to the Committee on Finance.

Mr. KENNEDY. Mr. President, I am honored to join my friend and colleague, Senator KERRY, in introducing this legislation to guarantee affordable health insurance for every child. We made a good start toward this goal in the 1990s, by enacting the Children's Health Insurance Program to cover more low-income children. Now it is time to finish the job.

Twelve million Americans who are twenty-one years old or younger have no health insurance today. Seven million are already eligible for Medicaid or CHIP, but five million are not eligible for these current programs.

Every uninsured child represents a national failure. Every uninsured child is at risk for losing the healthy start in life that should be birthright of every American. Every uninsured child is a potential source of heartbreak for parents and other loved ones. Every uninsured child is an American tragedy waiting to happen.

This year, three hundred eighty thousand children suffering from asthma will never see a doctor. Five hundred thousand children with recurrent earaches will never see a doctor. Five hundred thousand children with severe throats will never see a doctor.

Uninsured children pay for their lack of coverage in human suffering, unnecessary disability, and even death, and our society pays too. Sick children cannot learn. Every child whose education is limited or whose future potential is lost because of avoidable illness is a loss to America, because America's children are America's future.

The legislation we are introducing today will guarantee coverage for every child twenty-one years of age or younger. It makes health insurance affordable for every family, but it also asks families to share the responsibility of covering their children, when they are able to do so.

The bill expands Medicaid and CHIP up to 300 percent of poverty. It is far more modest means will be able to obtain subsidized coverage for their children. Families with incomes above 300 percent of poverty will be able to buy into Medicaid or CHIP for their children, and they will be guaranteed that the cost will not exceed 5 percent of their family income.

The bill also lifts the cap on CHIP funding that has caused some States to limit enrollment. It assists States financially by shifting current State spending for children under 100 percent of poverty to the Federal government. It requires all States to adopt the provisory methods that encourage families to enroll and stay enrolled—methods such as presumptive eligibility, the ability to apply on-line or by telephone for the coverage, and coverage for at least twelve months without eligibility re-determinations.

This legislation is vitally important to all children. It is a pledge that they will have access to good health care without regard to their family's wealth. It is a commitment to a healthy start in life for every child.

As important as those objectives are, the significance of this legislation goes beyond coverage of all children. It is a major step toward the day when the baby boomers will retire. In a survey conducted in 2004 by the FBI and the Computer Security Institute, 52 percent of respondents reported some level of unauthorized use of their computer systems. (Source: 2004 CSI/FBI Computer Crime and Security Survey)

Data breaches are becoming all too common. Consider the following incidents which have compromised the
The legislation’s notification scheme minimizes the burdens on companies or agencies that must report a data breach. In general, notice would have to be provided to each person whose data was compromised in writing or through e-mail. But there are important exceptions.

First, companies that have developed their own reasonable notification policies are given a safe harbor under the bill and are exempted from its notification requirements.

Second, encrypted data is exempted. Third, where it is too expensive or impractical (e.g., contact address information is incomplete) to notify every individual who is harmed, the bill allows entities to send out an alternative form of notice called “substitute notice.” Substitute notice includes posting notice on a website or notifying major media. Substitute notice would be triggered if any of the following factors exist:

(i) the agency or person demonstrates that the cost of providing direct notice would exceed $250,000;
(ii) the affected class of subject persons to be notified exceeds 500,000; or
(iii) the agency or person does not have sufficient information to notify people whose information is at risk.

The bill has a tough, but fair enforcement regime. Entities that fail to comply with the bill will be subject to fines of $5,000 per violation or up to $25,000 per day while the violation persists. State Attorneys General can also file suit to enforce the statute.

Additionally, the bill would allow California’s law to remain in effect, but preempt conflicting state laws. It is my understanding that legislators in a number of states are developing bills modeled after the California law. Reportedly, some of these bills have requirements that are inconsistent with the California legislation. It is not fair to put companies in a situation that forces them to comply with database notification laws of 50 different states.

A year after California's landmark legislation went into effect, the law has raised overall awareness of the need to have strong privacy protections in place. Chris Jay Hoofnagle, associate director of the nonprofit Electronic Privacy Information Center, by which California law has given the public a window into a very serious problem of information security.”


The legislation requires a business or government agency to notify an individual when there is a reasonable basis to conclude that a hacker or other criminal has obtained unencrypted personal data maintained by the entity.

Personal data is defined by the bill as an individual’s Social Security number, State identification number, driver’s license number, financial account number, or credit card number.

I strongly believe individuals should be notified if a hacker gets access to their most personal data. This is both a matter of principle and a practical measure to curb identity theft.

Let me take a moment to describe the legislation.

The Notification of Risk to Personal Data Act will set a national standard for notification of consumers when a data breach occurs.

The bill has a tough, but fair enforcement regime. Entities that fail to comply with the bill will be subject to fines of $5,000 per violation or up to $25,000 per day while the violation persists. State Attorneys General can also file suit to enforce the statute.

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As Beth Givens, director of the Privacy Rights Clearinghouse, points out “if [California] didn’t have this law, the vast majority of these situations would go unreported.” (Source: The Orange County Register, “Ingram Micro Discloses Database Break-In,” May 15, 2004)

I strongly believe individuals have a right to be notified when their most sensitive information is compromised—because it is truly their information. Ask the ordinary person on the street if he or she would like to know if a criminal had illegally gained access to their personal information from a database—the answer will be a resounding yes.

Enabling consumers to be notified in a timely manner of security breaches involving their personal data will help combat the growing scourge of identity theft. If individuals are informed of the theft of their Social Security numbers or other sensitive information, they can take immediate preventative action.

They can place a fraud alert on their credit report to prevent crooks from obtaining credit cards in their name. They can monitor their credit reports to see if unauthorized activity has occurred.

They can cancel any affected financial or consumer or utility accounts; and

They can change their phone numbers if necessary.

I look forward to working with my colleagues to pass this vitally needed legislation. This bill will give ordinary Americans more control and confidence about the safety of their personal information. Americans will have the security of knowing that should a breach occur, they will be notified and be able to take protective action. Thank you, Mr. President.

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. 115

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Notification of Risk to Personal Data Act”.

SEC. 2. DEFINITIONS.

In this Act, the following definitions shall apply:

(1) AGENCY.—The term “agency” has the same meaning given such term in section 551(2) of title 5, United States Code.

(2) BREACH OF SECURITY OF THE SYSTEM.—The term “breach of security of the system” means an unauthorized acquisition of and access to personal information maintained by the person or business; and

(3) PERSON.—The term “person” has the same meaning given such term in section 551(1) of title 5, United States Code.

(4) PERSONAL INFORMATION.—The term “personal information” means an individual’s last name in combination with any 1 or more of the following elements, when either the name or the data elements are not encrypted:
(A) Social security number;

(B) Driver’s license number or State identification number.

(3) Notification of the notice on the Internet site of the agency or person, if the agency or person maintains an Internet site; or

(C) notification to major media.

SEC. 3. DATABASE SECURITY.

(a) Disclosure of Security Breach.—

(1) In General.—Any agency, or person engaged in interstate commerce, that owns or licenses electronic data containing personal information shall, following the discovery of a breach of security of the system containing such data, notify any resident of the United States whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

(2) Notice to Resident.—

(A) e-mail notice, if the agency or person demonstrates that the agency does not own or license shall notify the owner or licensee of the information if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person through a breach of security of the system.

(B) conspicuous posting of the notice on the Internet site of the agency or person, if the agency or person maintains an Internet site; or

(C) notification to major media.

(b) Acknowledgment.—

An agency, or person engaged in interstate commerce, that owns or licenses electronic data containing personal information shall, following the discovery of a breach of security of the system containing such data, notify any resident of the United States whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

SEC. 4. ENFORCEMENT BY STATE ATTORNEYS GENERAL.

(a) In General.—

(1) Civil Actions.—In any case in which the attorney general of a State has reason to believe that an interest of that State has been or is threatened or adversely affected by any violation of this Act, the attorney general of the State may consider to be appropriate.

(2) Other Rights and Remedies.—The rights and remedies available under this subsection are cumulative and shall not affect any other rights and remedies available under law.

(b) Enforcement.—The Federal Trade Commission is authorized to enforce compliance with this section, including the assessment of fines under subsection (b)(1).

SEC. 5. EFFECT ON STATE LAW.

This Act shall take effect on the date which is 6 months after the date of enactment of this Act.

By Mrs. FEINSTEIN:

S. 116. A bill to require the consent of an individual prior to the sale and marking of such individually identifiable information, and for other purposes; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I am pleased to re-introduce the “Privacy Act of 2005.”

This legislation would establish, for the first time, a comprehensive national system of privacy protection. This is the second Congress in a row that I have introduced this legislation. Every year that it was not passed, Americans become victims of identity theft. It is time for us to act.

As you know, Mr. President, I have ardentely fought for years for legislation to hamper identity theft. Today, this legislation is one of three bills that I am introducing to continue that fight. I am also introducing the Social Security Number Misuse Prevention Act of 2005, and the Notification of Rights Under the Personal Data Security Act of 2005. I urge my colleagues to pass all of them, to protect Americans from those who would steal our very identities.

At the heart of this bill is the requirement that companies may not sell consumers’ most intimate personal information unless consumers affirmatively give their authorization. This is known as “opt-in.” Therefore, companies must obtain consumers’ written consent prior to selling their personal health information, financial information, Social Security numbers, and drivers’ license data (opt-in). For this sensitive data, the bill gives the individual ultimate control over whether...
or not his or her information is shared. If an individual does not actively decide to permit sharing of personal data, the data is not disclosed.

The bill recognizes that different sorts of information deserve different levels of protection. For information that is still personal, but not as intimate, the bill allows businesses more flexibility. Therefore, for other personal information—names, physical addresses, e-mail addresses, telephones, photographs, birth dates, places of birth, driver’s license numbers—companies can sell the information so long as consumers receive notice of the companies’ intent, and an opportunity to object and prohibit the sale of their information. This is known as “opt-out.”

That is structure of the overall bill. Let me take a moment to go over some of the specifics.

For financial data, the Privacy Act would tighten the information-sharing provisions of the 1999 Gramm-Leach-Bliley Act. This legislation would modify that statute, to prohibit the sale or disclosure of sensitive personal financial information to third parties unless the consumer affirmatively consents or opts in. The legislation would also require that banks let consumers opt out of the sharing of their personal financial information with the bank’s affiliates or joint partners. The bill makes exceptions for vital public safety concerns. The privacy act of 2005 also prohibits banks from denying a customer a financial product or financial service if the consumer withholds consent.

For sensitive medical information, this legislation would expand on the Department of Health and Human Services privacy regulations, by extending the restrictions placed on “covered entities” (health insurers, health providers, and health care clearinghouses) to “non-covered entities” (business associates, health researchers, schools or universities, and life insurers). All of those entities will be able to share information only with the patients’ consent.

For Social Security numbers, this bill will prohibit the sale or display of an individual’s Social Security number to the general public without the individual’s express consent, and prohibit federal, state, and local governments from displaying the numbers on the Internet, or from printing them on checkwriting licenses. This legislation also recognizes legitimate uses of Social Security numbers, by allowing the sale of Social Security numbers between businesses, or between the government and businesses, among other exceptions.

This legislation protects the privacy of information regardless of the medium through which it is collected. Therefore, it recognizes that both paper and electronic records are important to protecting the identities of Americans.

To minimize the regulatory burden of these privacy rules, the bill sets up a safe harbor so that industries that established approved policies will be exempt from some regulatory requirements of the legislation.

To ensure uniformity of the laws across all 50 states, the bill preempts inconsistent state laws regarding the treatment of non-sensitive information.

I note that this legislation is modeled on the California Financial Information Privacy Act, which gives consumers a right to use this information only consent before financial companies share their most intimate data. The plan is a good one for Californians, and it is a good one for all Americans. The fact that the California law is under assault in the courts makes it all the more vital that the uniform, national standard I introduce today becomes law.

I want to give a sense of why this legislation is so necessary. Recent statistics on the growth of identity theft show we have no time to waste in protecting and preventing personal identity theft.

For years, identity theft has topped the list of complaints reported to the Federal Trade Commission. In 2003, the Commission received over half a million such complaints, about 42 percent of the total. While the FTC did not report its numbers for 2004 until early February, I unfortunately expect to again see identity theft as the cause of the most complaints. According to a report from the FTC, 10 million Americans discovered that year their identities had been stolen. The report also stated that consumers have to spend an average of 30 hours to clear their name; The Identity Theft Resource Center puts the number at 175 hours. And as Attorney General John Ashcroft said last August, “Identity theft costs the nation’s businesses nearly $50 billion a year in fraudulent transactions and often involves coordinated criminal conduct.”

My own State, California, has more victims of identity theft than any other state. The FTC recorded 39,452 identity theft complaints in 2003 in California alone.

But the numbers tell only part of the story. More important are the individuals whose lives have been devastated by identity theft. Let me tell just one story that I find particularly disturbing:

Eric Drew was a patient in a hospital receiving a bone marrow transplant. Yet unbeknownst to him, a worker in the hospital had stolen Drew’s identity, and had taken advantage of this sick patient. As the Associated Press reported, “Drew said that while he was lying in a hospital bed, dying from cancer and weak from massive doses of chemotherapy, he was able to get mail thanking him for opening accounts he knew nothing about.” In this case, luckily, the criminal was caught and convicted.

Since I introduced this legislation for the first time in the 108th Congress, there are millions more stories like this one.

Indeed, there are also new common methods of identity theft. There has been a massive upwelling in the phenomenon known as “Phishing,” in which criminals send emails to people, spoofed to fraudulently look like banks and other financial institutions. These emails trick consumers to click on a Web page, and then to enter their name, account numbers, passwords, and other sensitive financial information. The criminals then use this information to steal from the unwitting consumers, but to literally lock them out of their own accounts. This one sort of identity theft has, according to a December study from e-mail security company MessageLabs, increased by almost tenfold over the last year.

Given the grave risks that technology poses to our privacy, it is our responsibility to start taking action. This is especially the case for older Americans, who are disproportionately vulnerable to identity theft, as I tried to highlight last year by cosponsoring the “Protecting Older Americans From Fraud Month” resolution last October. I would like to highlight some of the key provisions of this legislation.

For financial information this legislation tightens the privacy provisions of the Financial Services Modernization Act, commonly known as the Gramm-Leach-Bliley Act. Under Gramm-Leach-Bliley, a bank can share a customer’s personal information with other companies so long as it gives consumers notice and the right to opt-out of the data sharing. The problem with the prevailing opt-out is that most people throw away their privacy notices from banks along with the rest of the unrelenting pile of commercial solicitations they receive. Since the passage of Gramm-Leach-Bliley, banks have sent out over one billion privacy notices.

According to available published information, fewer than 5 percent of bank customers have opted out of sharing their personal information. And for many financial institutions, the response rate has been less than one percent.

Accordingly, this legislation prohibits the sale or disclosure of sensitive personal financial information to third parties unless the consumer affirmatively consents or opts in—the burden thus shifts off of the consumer.

This legislation also toughens Federal financial privacy laws for affiliate-sharing and joint-marketing. An affiliate is a company that is linked by common ownership with another company. Under Federal law, a bank can share with affiliates or joint marketing partners their customers’ personal information. Under the legislation, the consumer wants this information shared.

This legislation would require that banks give consumers the option of opting out of the sharing of their personal financial information with the bank’s affiliates or joint partners. I would also like to describe several other key components of the financial privacy sector.
The bill prohibits banks from denying a customer a financial product or financial service just because the customer chooses to not disclose his personal information to third parties, affiliates, or joint venture partners. However, the bill does allow banks to offer incentives to customers to encourage them to permit the sharing of their personal information.

Additionally, the bill permits banks to disclose, but not sell, personal information to third parties for vital public interest purposes such as identifying or locating missing and abducted children, witnesses, criminals and fugitives, parents delinquent in child support payments, organ and bone marrow donors, pension fund beneficiaries, and missing heirs.

Just as with financial data, personal health and medical data deserves the most stringent privacy protections.

The U.S. Department of Health and Human Services privacy regulations set a basic opt-in framework for disclosure of health information. But more can be done to protect patient privacy.

The regulations only prohibit “covered entities”—namely health insurers, health providers, and health care clearhouse—from selling a patient’s health information without that patient’s prior consent.

Meanwhile, non-covered entities—such as business associates, health researchers, schools or universities, and life insurers—are not subject to this opt-in requirement, except through contractual arrangements.

This legislation would preserve the privacy of health information wherever the information is sold. Any business associate, life insurer, school, or non-covered entity trying to sell or market protected health information would, like covered entities, have to get the patient’s prior consent. This is a crucial step to protect what is truly our most intimate information.

Driving records also are given the strongest level of protection under this bill.

The Driver’s Privacy Protection Act, DPPA was amended in 2000 to offer some meaningful protections for drivers’ privacy.

For example, under the DPPA, a State Department of Motor Vehicles must obtain the prior consent (opt-in) of the driver before “highly sensitive information” is defined as a physical copy of a driver’s license, a Social Security number, medical or disability information, and other information can be disclosed to a third party.

However, loopholes remain. Other sensitive information found on a driver’s license is not protected.

This legislation would expand the definition of “highly sensitive information” to include a physical copy of a driver’s license, the driver identification number, birth date, information on the driver’s physical characteristics and any biometric identifiers, such as a fingerprint, that are found on the driver’s license.

Thus, this bill would ensure consumers have control over how their motor vehicle records and driver’s license data are used.

I would like to take a moment to highlight the Social Security number provision of this legislation. I have also introduced a standalone bill, the “Social Security Number Misuse Prevention Act of 2005.”

It is crucial to protect Social Security numbers because Social Security numbers are the key to a person’s identity. Many identity theft cases start with the theft of a Social Security number. Once a thief has access to a victim’s Social Security number, it is only a short step to acquiring credit cards, driver’s licenses, or other crucial identification documents.

This legislation bars the sale or display of Social Security numbers to the public except in a very narrow set of circumstances. In general display or sale is permitted only if the Social Security number is affixed only consents or if there are compelling public safety needs. Government entities will have to reduct Social Security numbers from electronic records that are readily available to the public on the Internet. State governments will no longer be permitted to use the Social Security number as the default driver’s license number.

The legislation, however, recognizes that some industries rely on Social Security numbers to exchange information for certain transactions.

Thus, the bill directs the Attorney General to develop regulations allowing for the sale or purchase of Social Security Numbers to facilitate business-to-business and business-to-government transactions, so long as businesses put appropriate safeguards in place and do not permit public access to the number.

This legislation codifies steps Congress can take to protect citizens from identity thieves and other predators of personal information.

It restores to an individual more control over her most sensitive personal information, such as Social Security numbers, health information, and financial information. It also sets reasonable guidelines for businesses that handle our personal information every day. Every American has a fundamental right to privacy, no matter how fast our technology grows or changes.

Last year, President Bush signed into law the Identity Theft Penalty Enhancement Act, legislation that I helped to write, to increase punishment on people who steal others’ identities. I am proud of my work to make that bill into a law. But we all must realize that punishment is no substitute for prevention. My legislation today will make fewer suffer from identity theft in the first place.

I look forward to working with my colleagues to enact this legislation. I ask unanimous consent that the text of the legislation be printed in the RECORD.
(1) IN GENERAL.—It is unlawful for a commercial entity to collect personally identifiable information and disclose such information to any nonaffiliated third party for marketing purposes, or sell such information to any nonaffiliated third party, unless the commercial entity provides—
(a) notice to the individual to whom the information is to be disclosed or sold in accordance with the requirements of subsection (b); and
(b) an opportunity for such individual to restrict the disclosure or sale of such information.

(2) EXCEPTION.—A commercial entity may collect personally identifiable information and use such information to market to potential customers such entity’s product.

(b) NOTICE.—

(1) IN GENERAL.—A notice under subsection (a) shall contain statements describing the following:
(A) The identity of the commercial entity collecting the personally identifiable information.
(B) The types of personally identifiable information that are being collected on the individual.
(C) How the commercial entity may use such information.
(D) A description of the categories of potential recipients of such personally identifiable information.
(E) Whether the individual is required to provide personally identifiable information in order to do business with the commercial entity.
(F) How an individual may decline to have such personally identifiable information used or sold as described in subsection (a).

(2) TIME OF NOTICE.—Notice shall be conveyed prior to the sale or use of the personally identifiable information as described in subsection (a) in such a manner as to allow the individual a reasonable period of time to consider the notice and limit such sale or use.

(3) MEDIUM OF NOTICE.—The medium for providing notice must be—
(A) the same medium in which the personally identifiable information is or will be collected, or a medium approved by the individual; or
(B) in the case of oral communication, notice may be conveyed orally or in writing.

(4) FORM OF NOTICE.—The notice shall be clear and conspicuous.

(c) OPT-OUT.—

(1) DEFINITIONS.—
(A) The term ‘Health Information to Opt-Out of Sale or Marketing.’—The opportunity provided to limit the sale of personally identifiable information to nonaffiliated third parties or the disclosure of such information for marketing purposes, shall be easy to use, accessible and available in the medium the information is collected, or in a medium approved by the individual.
(B) The term ‘Duration of Limitation.’—An individual’s limitation on the sale or marketing of personally identifiable information shall be considered permanent, unless otherwise specified by the individual.
(C) The term ‘Revocation of Consent.’—After an individual grants consent to the use of that individual’s personally identifiable information, the individual may revoke the consent at any time, except to the extent that the commercial entity has taken action in reliance thereon. The commercial entity shall provide the individual an opportunity to revoke consent that is easy to use, accessible, and available in the medium the information was or is collected.
(D) The term ‘Not Applicable.’—This section shall not apply to disclosure of personally identifiable information.

(2) NOT APPLICABLE.—This section shall not apply to disclosure of personally identifiable information—
(A) if it is necessary to facilitate a transaction specifically requested by the consumer;
(B) if it is used for the sole purpose of facilitating this transaction; and
(C) in which the entity receiving or obtaining such information is limited, by contract, to use such information to complete the transaction.

SEC. 102. ENFORCEMENT.

(a) IN GENERAL.—In accordance with the provisions of this section, the Federal Trade Commission shall have the power to enforce any violation of section 101 of this Act.

(b) VIOLATIONS.—The Federal Trade Commission shall treat a violation of section 101 as a violation under section 18a(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(c) TRAFFIC IN FORCING AUTHORITY.—The Federal Trade Commission shall promulgate rules in accordance with section 553 of title 5, United States Code, allowing for the transfer of enforcement authority from the Federal Trade Commission to a Federal agency regarding section 101 of this Act. The Federal Trade Commission may permit a Federal agency to enforce any violation of section 101 if such agency submits a written request to the Commission to enforce such violations and includes in such request—
(1) a description of the entities regulated by such agency that will be subject to the provisions of section 101;
(2) an assurance that such agency has sufficient authority over the entities to enforce violations of section 101; and
(3) a list of proposed rules that such agency shall use in enforcing such entities and enforcing section 101.

(d) ACTIONS BY THE COMMISSION.—Absent transfer of enforcement authority to a Federal agency under subsection (c), the Federal Trade Commission shall prevent any person from violating section 101 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as provided to such Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.). Any entity that violates section 101 is subject to the penalties and entitled to the privileges and immunities provided in such Act in the same manner, by the same means, and with the same jurisdiction, power, and duties under such Act.

(e) RELATIONSHIP TO OTHER LAWS.—

(1) COMMISSION AUTHORITY.—Nothing contained in this title shall be construed to restrict commercial entities from obtaining or disclosing personally identifiable information as described in subsection (a). Nothing contained in this title shall be construed to restrict commercial entities from obtaining or disclosing personally identifiable information as described in subsection (a) that is necessary to facilitate a transaction.

(2) COMMERCIAL ENTITY.—The term ‘commercial entity’ means any entity that is subject to title V of the Gramm-Leach-Bliley Act (15 U.S.C. 45); (i) any financial institution that is subject to title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.); (ii) any group health plan, health insurer, or other entity that is subject to the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 201 note); or (iii) any joint employee of such institution.

(3) OTHER ENTITIES.—The term ‘other entity’ means any person who is subject to title V of the Gramm-Leach-Bliley Act (15 U.S.C. 45).

(f) PUBLIC RECORDS.—Nothing contained in this title shall be construed to restrict the authority of the Federal Trade Commission to make public any records, documents, or other information that is necessary to conduct an investigation or to determine whether an entity is in violation of this title or to enforce the provisions of this title. The term ‘public record’ means any document, report, or other record that is created, generated, or maintained by any entity that is subject to title V of the Gramm-Leach-Bliley Act.

(g) OFFICE OF THE COMMISSION.—The term ‘Office of the Commission’ means the administrative offices of the Federal Trade Commission.

(h) RECORDS.—The term ‘records’ means any document, report, or other record that is created, generated, or maintained by any entity that is subject to title V of the Gramm-Leach-Bliley Act.

(i) PRIVACY.—The term ‘privacy’ means any individual’s expectation of privacy, as meeting the requirements of this Act.

(j) PERSON.—The term ‘person’ means any individual.

(k) PROHIBITION.—The term ‘prohibition’ means any restriction imposed by this Act.

(l) REGULATION.—The term ‘regulation’ means any rule, order, or other action issued by the Federal Trade Commission under this Act.

(m) RULES.—The term ‘rules’ means any rules promulgated by the Federal Trade Commission under this Act.

(n) SECURITIES.—The term ‘securities’ means any capital stock, certificate of deposit, or other record of ownership, any evidence of indebtedness, or any other instrument which is subject to Federal jurisdiction.

(o) SECURITIES AND EXCHANGE COMMISSION.—The term ‘Securities and Exchange Commission’ means the Securities and Exchange Commission.

(p) STATE.—The term ‘State’ means any State or territory to which this title applies and any other entity that is subject to this title.

(q) TITLE.—The term ‘title’ means the title of this Act.

(r) TRUST.—The term ‘trust’ means any group health plan, health insurer, or other entity that is subject to title V of the Gramm-Leach-Bliley Act (15 U.S.C. 45).

(s) UNCLASSIFIED RECORD.—The term ‘unclassified record’ means any record that is not subject to classification under the Federal Records Act (44 U.S.C. 201 note).

(t) UNITED STATES.—The term ‘United States’ means the United States of America.

(u) VARIOUS.—Any term not defined in this title shall be construed to have the meaning given such term in any other Act of Congress or in any other provision of law of the United States.
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SEC. 202. PROHIBITION OF THE DISPLAY, SALE, OR PURCHASE OF SOCIAL SECURITY NUMBERS.

(a) Definition.—In this section:

(1) The term 'display', means the intentional disclosure to the public, directly or indirectly, of social security numbers, identification numbers in circumstances that create a substantial risk of physical, emotional, or financial harm to the individuals to whom those numbers are assigned.

(2) The term 'sale', means obtaining, directly or indirectly, anything of value in exchange for a social security number.

(3) The term 'purchase', means providing directly or indirectly, anything of value in exchange for a social security number.

(b) Application.—Nothing in this section shall be construed to prohibit or limit the display, sale, or purchase of social security numbers to confirm the identity of an individual in an emergency situation; the protection of the health or safety of an individual; for a national security purpose; for a law enforcement purpose, including fraud, identity theft, and, in some cases, stalking and other violent crimes.

(c) Effective Date.—This section shall apply to the display, sale, or purchase of social security numbers on or after January 24, 2005.
“(2) Exception for government entities already placing public records on the Internet or in electronic form.—Not later than 60 days after the date of enactment of this section, the Attorney General shall determine whether regulations are necessary to promulgate regulations to implement and clarify the uses occurring as a result of an interaction between businesses, government or business agency, or any other head of Federal agencies as the Attorney General determines appropriate, shall conduct such rulemaking procedures in accordance with subchapter II of chapter 5 of title 5, United States Code. (xvi) Other short public documents that contain social security numbers, including criminal activity, compromised personal privacy, or threats to homeland security;

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to violations of section 1028A(c)(2)(C)(vi) of the Social Security Act (42 U.S.C. 645(c)(2)(C)(vi)) is amended by adding at the end the following:’’.

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number for an internal use or to link with the database of an agency of another State that is responsible for the administration of any driver’s license or motor vehicle registration law.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to licenses, registrations, and other documents issued or renewed after the date that is 1 year after the date of enactment of this Act.

(c) PROHIBITION OF INMATE ACCESS TO SOCIAL SECURITY ACCOUNT NUMBERS.—

(1) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by subsection (b)) is amended by adding at the end the following:

‘‘(xi) No Federal, State, or local agency may employ, or enter into a contract for the use of such a practice that is prohibited under this section; or

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to employment of prisoners in any capacity that would allow such prisoners access to the social security account numbers of other individuals. For purposes of this clause, the term ‘prisoner’ means an individual confined in a jail, prison, or other penal institution or correctional facility pursuant to such individual’s conviction of a criminal offense.

SEC. 206. LIMITS ON PERSONAL DISCLOSURE OF A SOCIAL SECURITY NUMBER FOR CONSUMER TRANSACTIONS.

(a) In General.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following:

‘‘SEC. 1150A. LIMITS ON PERSONAL DISCLOSURE OF A SOCIAL SECURITY NUMBER FOR CONSUMER TRANSACTIONS.

‘‘(a) IN GENERAL.—A commercial entity may not require an individual to provide the individual’s social security number when purchasing a commercial good or service or deny an individual the good or service for refusing to provide that number except—

‘‘(1) for any purpose relating to—

‘‘(A) obtaining a consumer report for any purpose permitted under the Fair Credit Reporting Act;

‘‘(B) a background check of the individual conducted by a landlord, lessor, employer, voluntary service agency, or other entity as determined by the Attorney General;

‘‘(c) law enforcement;

‘‘(D) a Federal, State, or local law requirement;

‘‘(2) if the social security number is necessary to verify the identity of the consumer to effect, administer, or enforce specific transaction requested or authorized by the consumer, or to prevent fraud.

‘‘(b) APPLICATION OF CIVIL MONEY PENALTIES.—This section shall be deemed to be a violation of section 1129(a)(3)(F).

‘‘(c) APPLICATION OF CRIMINAL PENALTIES.—A violation of this section shall be deemed to be a violation of section 128(a)(8).

‘‘(d) LIMITATION ON CLASS ACTIONS.—No class action alleging a violation of this section shall be maintained under this section by an individual or any private party in Federal or State court.

‘‘(e) STATE ATTORNEY GENERAL ENFORCEMENT.—

‘‘(1) IN GENERAL.—

‘‘(A) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in any business that is prohibited under this section, the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(i) enjoin that practice;

(ii) compel the production of documentary and other evidence described in subsection (a), the attorney general of the State involved shall provide to the Attorney General;

(iii) obtain damages, restitution, or other compensation on behalf of residents of the State; or

(iv) obtain such other relief as the court may consider appropriate.

‘‘(B) NOTICE.—

(i) IN GENERAL.—Before filing an action under subparagraph (A), the attorney general of the State involved shall provide to the Attorney General—

(I) written notice of the action; and

(II) a copy of the complaint for the action.

(ii) EXEMPTION.—

(D) by striking ‘‘who’’ and inserting ‘‘who is or is found to be’’;

‘‘(B) by striking ‘‘makes’’ and all that follows through ‘‘shall be subject to’’ and inserting the following:

‘‘(A) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of any insurance benefits, and shall have the right to be heard with respect to any matter that arises in that action.

‘‘(3) CONSTRUCTION.—For purposes of bringing an action described in subclause (I), the Attorney General shall have the right to be heard with respect to any matter that arises in that action.

‘‘(A) conduct investigations;

‘‘(B) administer oaths or affirmations; or

‘‘(C) compel the attendance of witnesses or the production of documentary and other evidence.

‘‘(4) ACTIONS BY THE ATTORNEY GENERAL OF THE UNITED STATES.—In any case in which an action described in subclause (I), the Attorney General shall have the right to be heard with respect to any matter that arises in that action.

‘‘(A) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of any insurance benefits, and shall have the right to be heard with respect to any matter that arises in that action.

‘‘(B) omits from a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of any insurance benefits, and shall have the right to be heard with respect to any matter that arises in that action.

‘‘(B) by striking ‘‘who’’ and inserting ‘‘who is or is found to be’’;

‘‘(B) by striking ‘‘makes’’ and all that follows through ‘‘shall be subject to’’ and inserting the following:

‘‘(A) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of any insurance benefits, and shall have the right to be heard with respect to any matter that arises in that action.

‘‘(B) omits from a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of any insurance benefits, and shall have the right to be heard with respect to any matter that arises in that action.

‘‘(C) by inserting ‘‘who is or is found to be’’ after ‘‘such a statement or representation’’;

‘‘(D) by inserting ‘‘or because of such withholding of disclosure of a material fact’’ after ‘‘because of such statement or representation’’;

‘‘(E) by inserting ‘‘or such a withholding of disclosure’’ after ‘‘such a statement or representation’’;

‘‘(2) ADMINISTRATIVE PROCEDURE FOR IMPOSSIBLE ACTIONS.—The first sentence of section 1129(a)(1) of the Social Security Act (42 U.S.C. 1320a–8(a)(1)) is amended—

(A) by striking ‘‘who’’ and inserting ‘‘who is or is found to be’’;

(B) by striking ‘‘makes’’ and all that follows through ‘‘shall be subject to’’ and inserting the following:

‘‘(A) makes, or causes to be made, a state-
(b) APPLICATION OFCivil Money Penalties
TO ELEMENTS OF CRIMINAL VIOLATIONS.—Section
1129(a) of the Social Security Act (42 U.S.C. 1320a–8(a)), as amended by subsection (a)(1), is
amended—
(1) by redesignating paragraph (2) as paragraph (4); and
(2) by redesigning the last sentence of paragraph (2) (and inserting such paragraph after paragraph (1); and
(3) by inserting after paragraph (2) (as so redesignated) the following:
"(3) Any person (including an organization, agency, or other entity) who—
"(A) uses a social security account number that such person knows or should know has been obtained without authorization of the Social Security (in an exercise of authority under section 205(c)(2) to establish and maintain records) on the basis of false information furnished to the Commissioner by any person;
"(B) falsely represents a number to be the social security account number assigned by the Commissioner of Social Security to any individual, when such person knows or should know that such number is not the social security account number assigned by the Commissioner to such individual;
"(C) furnishes a social security card issued by the Commissioner of Social Security, or possesses such a card with intent to alter it;
"(D) knowingly displays, sells, or purchases a card that is, or purports to be, a card issued by the Commissioner of Social Security, or possesses such a card with intent to display, purchase, or sell it;
"(E) counterfeits a social security card, or possesses a counterfeit social security card with intent to display, sell, or purchase it;
"(F) produces or possesses the disclosure of, or knowingly displays, sells, or purchases the social security account number of any person in violation of the laws of the United States;
"(G) with intent to deceive the Commissioner of Social Security as to such person's true identity (or the true identity of any other person) furnishes or causes to be furnished false information to the Commissioner with respect to any information required by the Commissioner in connection with the administration and maintenance of the records provided for in section 205(c)(2); or
"(H) offers, for a fee, to acquire for any individual, or to assist in acquiring for any individual, the disclosure of, or the disclosure of any social security account number or a number which purports to be a social security account number; or
"(I) being an officer or employee of a Federal agency, or any local agency in possession of any individual's social security account number, willfully acts or fails to act so as to cause a violation by such agency of section (v)(1) or (x) of section 205(c)(2)(C), shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than $5,000 for each violation.

(c) Clarification of Treatment of Recovered Amounts.—Section 1129(b)(3)(B) of the Social Security Act (42 U.S.C. 1320a–8(e)(2)(B)) is amended by striking "the amount of any benefits or payments paid as a result of such violation.".

(d) Conforming Amendments.—
(1) Section 1129(b)(3)(A) of the Social Security Act (42 U.S.C. 1320a–8) is amended by striking "challenging fraud or false statements".

(2) Section 1129(c)(1) of the Social Security Act (42 U.S.C. 1320a–8(c)(1)) is amended by striking "and representations" and inserting ", representations, or actions.

(3) Section 1129(c)(1) of the Social Security Act (42 U.S.C. 1320a–8(e)(1)(A)) is amended by striking "statement or representation referred to in subsection (a) was made and inserting "statement or representation occurred".

(e) Effective Dates.—
(1) In General.—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to violations of sections 1129 and 1129A of the Social Security Act (42 U.S.C. 1320a–8 and 1320a–8a), as amended by this Act, committed after the date of enactment of this Act.

(2) Violations by Government Agents in Possession of Social Security Numbers.—Section 1129(c)(3)(A) of the Social Security Act (42 U.S.C. 1320a–8(a)(3)(I)), as added by subsection (b), shall apply with respect to violations of that section occurring on or after the effective date described in section 202(c).

SEC. 208. CRIMINAL PENALTIES FOR THE MISUSE OF A SOCIAL SECURITY NUMBER.

(a) Prohibition of Wrongful Use as Personal Identification Number.—No person may obtain any individual's social security account number for the purpose of subidentifying an individual with the intent to physically injure, harm, or use the identity of the individual for any illegal purpose.

(b) Criminal Sanctions.—Any person who knows or should know that an individual's social security account number was obtained to the knowledge of the individual to whom the social security account number was assigned by the Commissioner of Social Security to any individual shall be guilty of a misdemeanor and, upon conviction, may be fined not more than $1,000 for each such violation, or be imprisoned for not more than 3 years, or both.

(c) Enforcement Procedures.—The provisions of section 1129A of the Social Security Act (42 U.S.C. 1320a–7) shall apply to the provisions of subsection (b) of section 208 of the Social Security Act (42 U.S.C. 408(a) as amended—
(1) in paragraph (b), by inserting "or" after the semicolon; and
(2) by inserting after paragraph (b) the following:
"(g) except as provided in subsections (e) and (f) of section 1028A of title 18, United States Code, knowingly and willfully displays, sells, or purchases, or the disclosure of, or knowingly displays, sells, or purchases the social security account number of any person in violation of the laws of the United States;

(i) obtains any individual's social security account number for the purpose of locating or identifying the individual with the intent to harm that individual, or to use the identity of that individual for an illegal purpose;".

SEC. 209. CIVIL ACTIONS AND CIVIL PENALTIES.

(a) Civil Actions and Civil Penalties.—
(1) In General.—Any individual aggrieved by an act of any person in violation of this title or any amendments made by this title may, if the law or rules of the court of a State provide for procedures of this title, bring a civil action in any court of the United States having jurisdiction over the cause of action to be asserted in such action.

(b) Amounts Recovered.—In any civil action brought under this section the court may, in its discretion, increase the amount of the award to an amount equal to not more than 3 times the amount available under subparagraph (B).

(c) Statute of Limitations.—An action may be brought under this subsection not later than the earlier of the date on which the alleged violation occurred; or

(1) 3 years after the date on which the alleged violation was or should have been reasonably discovered by the aggrieved individual.

(d) Nonexclusive Remedy.—The remedy provided under this subsection shall be in addition to any other remedies available to the individual.

(2) Civil Penalties.—
(1) In General.—Any person who the Attorney General determines has violated any section of this title, by an act committed after the date on which the alleged violation was or should have been reasonably discovered by the aggrieved individual, shall be subject to, in addition to any other penalties that may be prescribed by law—
"(A) an additional civil penalty of not more than $5,000 for each such violation; and
"(B) to a civil penalty of not more than $50,000, if the violations have occurred with such frequency as to constitute a general business practice.

(2) Determination of Violations.—Any willful violation committed contemporaneously with any willful violation of the social security numbers of 2 or more individuals by means of mail, telecommunication, or otherwise, shall be treated as a separate violation with respect to each such individual.

SEC. 301. DEFINITION OF SALE.

In addition to any other enforcement authority conferred under this title or the amendments made by this title, the Federal Government shall have injunctive authority with respect to any violation of a public entity of any provision of this title or of any amendments made by this title.

SECTION III—LIMITATIONS ON SALE AND SHARING OF NONPUBLIC PERSONAL FINANCIAL INFORMATION

SEC. 302. RULES APPLICABLE TO SALE OF NONPUBLIC PERSONAL FINANCIAL INFORMATION

Section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809) is amended—
(1) in the section heading, by inserting "SALES, AND OTHER SHARING" after "DISCLOSURES";
(2) in subsection (a), by striking "(3)" and inserting "(2)"
(3) in subsection (b)—
"(A) in the subsection heading, by inserting "(2) DISCLOSURES TO AFFILIATES" before the period;
"(B) by striking "a nonaffiliated third party" each place that term appears and inserting "an affiliate";
"(C) by striking "such third party" each place that term appears and inserting "such affiliate";
"(D) by striking "may not disclose" and inserting "may not sell or otherwise disclose"; and
(E) by striking paragraph (2) and inserting the following:

"(2) EXCEPTION.—This subsection shall not prevent a financial institution from providing nonpublic personal information to an affiliated third party to perform services for or functions on behalf of the financial institution, including marketing of the financial institution's own products or services; (subject to subsection (d) with respect to joint agreements between 2 or more financial institutions), if the financial institution fully discloses the provision of such information and the consumer is given an explanation of how the consumer can exercise that nonaffiliated third party; and (F) in subsection (b), by striking "(2)" and inserting "(1)"

(2) in subsection (c), by striking "(2)" and inserting "(1)"

(3) by redesigning paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left; and

(4) by striking "paragraph (1)" and inserting "paragraph (2)".

H. RECOMMENDATION

Not later than 6 months after the date of enactment of this Act, the agencies referred to in section 504(a)(1) of the Gramm-Leach-Bliley Act (15 U.S.C. 6803(a)(1)) shall promulgate final regulations in accordance with that section to carry out the amendments made by this Act.

SEC. 306. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 6 months after the date of enactment of this Act.

TITLE IV—LIMITATIONS ON THE PROVISION OF PROTECTED HEALTH INFORMATION

SEC. 401. DEFINITIONS.

In this title:

(1) "CONSUMER AGREEGATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "business associate" means, with respect to a covered entity, a person—

(i) on behalf of such covered entity or of an organized health care arrangement in which the covered entity participates, but other than in the capacity of a member of the workforce of such covered entity or arrangement, performs, or assists in the performance of—

(ii) a function or activity involving the use or disclosure of individually identifiable health information, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or

(iii) any other function or activity regulated under subchapter C of title 45, Code of Federal Regulations; or

(B) by striking "(a) REGULATORY AUTHORITY.

SEC. 305. REGULATORY AUTHORITY.

This title and the amendments made by this title shall take effect 6 months after the date of enactment of this Act.

TITLE IV—LIMITATIONS ON THE PROVISION OF PROTECTED HEALTH INFORMATION

SEC. 401. DEFINITIONS.

In this title:

(1) "BUSINESS ASSOCIATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "business associate" means, with respect to a covered entity, a person—

(i) on behalf of such covered entity or of an organized health care arrangement in which the covered entity participates, but other than in the capacity of a member of the workforce of such covered entity or arrangement, performs, or assists in the performance of—

(ii) a function or activity involving the use or disclosure of individually identifiable health information, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or

(iii) any other function or activity regulated under subchapter C of title 45, Code of Federal Regulations; or

(B) by striking "(a) REGULATORY AUTHORITY.

SEC. 305. REGULATORY AUTHORITY.

This title and the amendments made by this title shall take effect 6 months after the date of enactment of this Act.

TITLE IV—LIMITATIONS ON THE PROVISION OF PROTECTED HEALTH INFORMATION

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(ii) a function or activity involving the use or disclosure of individually identifiable health information, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or

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(B) by striking "(a) REGULATORY AUTHORITY.

SEC. 305. REGULATORY AUTHORITY.

This title and the amendments made by this title shall take effect 6 months after the date of enactment of this Act.

TITLE IV—LIMITATIONS ON THE PROVISION OF PROTECTED HEALTH INFORMATION

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(ii) a function or activity involving the use or disclosure of individually identifiable health information, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or

(iii) any other function or activity regulated under subchapter C of title 45, Code of Federal Regulations; or

(B) by striking "(a) REGULATORY AUTHORITY.

SEC. 305. REGULATORY AUTHORITY.

This title and the amendments made by this title shall take effect 6 months after the date of enactment of this Act.

TITLE IV—LIMITATIONS ON THE PROVISION OF PROTECTED HEALTH INFORMATION

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(i) on behalf of such covered entity or of an organized health care arrangement in which the covered entity participates, but other than in the capacity of a member of the workforce of such covered entity or arrangement, performs, or assists in the performance of—

(ii) a function or activity involving the use or disclosure of individually identifiable health information, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or

(iii) any other function or activity regulated under subchapter C of title 45, Code of Federal Regulations; or

(B) by striking "(a) REGULATORY AUTHORITY.

SEC. 305. REGULATORY AUTHORITY.

This title and the amendments made by this title shall take effect 6 months after the date of enactment of this Act.

TITLE IV—LIMITATIONS ON THE PROVISION OF PROTECTED HEALTH INFORMATION

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(i) on behalf of such covered entity or of an organized health care arrangement in which the covered entity participates, but other than in the capacity of a member of the workforce of such covered entity or arrangement, performs, or assists in the performance of—

(ii) a function or activity involving the use or disclosure of individually identifiable health information, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or

(iii) any other function or activity regulated under subchapter C of title 45, Code of Federal Regulations; or

(B) by striking "(a) REGULATORY AUTHORITY.

SEC. 305. REGULATORY AUTHORITY.

This title and the amendments made by this title shall take effect 6 months after the date of enactment of this Act.

TITLE IV—LIMITATIONS ON THE PROVISION OF PROTECTED HEALTH INFORMATION

SEC. 401. DEFINITIONS.

In this title:

(1) "BUSINESS ASSOCIATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "business associate" means, with respect to a covered entity, a person—

(i) on behalf of such covered entity or of an organized health care arrangement in which the covered entity participates, but other than in the capacity of a member of the workforce of such covered entity or arrangement, performs, or assists in the performance of—

(ii) a function or activity involving the use or disclosure of individually identifiable health information, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or

(iii) any other function or activity regulated under subchapter C of title 45, Code of Federal Regulations; or

(B) by striking "(a) REGULATORY AUTHORITY.

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health care arrangement in which the covered entity participates, where the provision of the service involves the disclosure of individually identifiable health information from the covered entity or arranges for such disclosure from another business associate of such covered entity or arrangement, to the person.

(B) LIMITATIONS.—

(i) A covered entity participating in an organized health care arrangement that performs a function or activity as described by subparagraph (A)(i) for or on behalf of the covered entity, or that provides a service as described in subparagraph (A)(ii) to or for such organized health care arrangement, does not, simply through the performance of such function or activity or the provision of such service, become a business associate of any other covered entities participating in such organized health care arrangement.

(ii) LIMITATION.—A covered entity may be a business associate of another covered entity.

(2) COVERED ENTITY.—The term ‘‘covered entity’’ means:

(A) a health plan;

(B) a health care clearinghouse; and

(C) a health care provider who transmits any health information in electronic form in connection with a transaction covered by parts 160 through 164 of title 45, Code of Federal Regulations.

(3) DISCLOSURE.—The term ‘‘disclosure’’ means the release, transfer, provision of access to, or divulging in any other manner of information outside the entity holding the information.

(4) EMPLOYER.—The term ‘‘employer’’ has the meaning given that term in section 3(5) of the Internal Revenue Code of 1986.

(5) GROUP HEALTH PLAN.—The term ‘‘group health plan’’ means any employee welfare benefit plan (as defined in section 3(1) of the Employee Retirement Income Security Act of 1974) that provides benefits for health care in the normal course of business.

(6) HEALTH CARE PROVIDER.—The term ‘‘health care provider’’ means a person, group, organization, or entity that provides health care in the normal course of business.

(7) INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION.—The term ‘‘individually identifiable health information’’ means health information which identifies or is reasonably likely to identify an individual.

(8) HEALTH CARE PROVIDER.—The term ‘‘health care provider’’ has the meaning given that term in section 1862(b)(2) of the Social Security Act (42 U.S.C. 1395x, respectively), when such term is used in connection with a provider of medical or health services in subsections (a) and (b) of section 1861 of the Social Security Act (42 U.S.C. 1395x, respectively). Such term does not include any other person or organization who furnishes, bills, or is paid for health care in the normal course of business.

(9) HEALTH INFORMATION.—The term ‘‘health information’’ means any information, whether oral or recorded in any form or medium, that—

(i) is created or received by a health care provider, health plan, public health authority, employer, life insurer, school or university, or health care clearinghouse; and

(ii) relates to the past, present, or future physical or mental health or condition of an individual; or the past, present, or future payment for the provision of health care to an individual.

(10) HEALTH INSURANCE ISSUER.—The term ‘‘health insurance issuer’’ means a health insurance issuer (as defined in section 279A(b)(2) of the Public Health Service Act, 42 U.S.C. 300gg-1(b)(2)) and used in the definition of health plan in this section and includes any insurance company, insurance service, or insurance organization (including an HMO) that is licensed to engage in the business of insurance in a State and is subject to State insurance laws or regulation.

Such term does not include a health plan.

(11) HEALTH MAINTENANCE ORGANIZATION.—The term ‘‘health maintenance organization’’ (HMO) (as defined in section 279A(b)(3) of the Public Health Service Act, 42 U.S.C. 300gg-91(b)(3), including any entity or arrangement that performs a function or activity or the provision of such medical care to an individual or the past, present, or future payment for the provision of health care to an individual.

(12) HEALTH OVERSIGHT AGENCY.—The term ‘‘health oversight agency’’ means an agency or authority of the United States, a State, a territory, a political subdivision of a State or territory, an Indian tribe, or a person or group that is authorized by law to oversee the health care system (whether public or private) with respect to the physical or mental health or condition of an individual or the past, present, or future payment for the provision of health care to an individual.

(13) HEALTH PLAN.—The term ‘‘health plan’’ means an individual or group plan that provides, or pays the cost of, medical care as defined in subsection (b)(2) of section 279A(c) of the Public Health Service Act (42 U.S.C. 300gg-91(a)(2));

(A) including, singly or in combination—

(i) a group health plan;

(ii) a health insurance issuer;

(iii) an HMO;

(iv) part A or B of the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); or

(v) the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); or

(vi) an issuer of a long-term care policy, an issuer of a medicare supplemental insurance policy, or an issuer of a disability income replacement policy, excluding a nursing home fixed-indemnity policy;

(vii) an issuer of a long-term care policy, an issuer of a medicare supplemental insurance policy, or an issuer of a disability income replacement policy, excluding a nursing home fixed-indemnity policy;

(viii) an employee welfare benefit plan or any other arrangement that is established or maintained for the purpose of offering or providing health benefits to the employees of 2 or more employers;

(ix) the health care program for active military personnel under title 10, United States Code;

(x) the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) as defined in section 1072(d) of title 10, United States Code;

(xi) the Indian Health Service program under chapter 17 of title 38, United States Code;

(xii) the Medicare-Medicaid program established by chapter 139 of title 19, United States Code;

(xiii) the Medicare-Medicaid program established by chapter 139 of title 19, United States Code;

(xiv) an approved State child health plan under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.), providing benefits for child health assistance that meet the requirements of section 2103 of such Act (42 U.S.C. 1397cc);

(xv) the Medicare-Choice program under part C of title XVIII of the Social Security Act (42 U.S.C. 1395w-21 et seq.);

(xvi) a high risk pool that is a mechanism established under State law to provide insurance coverage for an individual or group of individuals who are members of a high risk pool or that provides health benefits to the employees of an HMO and such HMO provides or pays for the cost of medical care in the normal course of business.

(14) INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION.—The term ‘‘individually identifiable health information’’ means information that is used to identify an individual, including demographic information collected from an individual, that—

(A) is created or received by a covered entity; and

(B) relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual; and

(iii) identifies an individual; or

(ii) with respect to which there is a reasonable basis to believe that the information can be used to identify an individual.

(15) LAW ENFORCEMENT OFFICIAL.—The term ‘‘law enforcement official’’ means an officer or employee of any agency or authority of the United States, a State, a territory, a political subdivision of a State or territory, or an Indian tribe, who is empowered by law to—

(A) investigate or conduct an official inquiry into a potential violation of law; or

(B) prosecute or otherwise conduct a criminal investigation or administrative proceeding arising from an alleged violation of law.

(16) LIFE INSURER.—The term ‘‘life insurer’’ means a life insurance company (as defined in section 1306 of the Internal Revenue Code of 1986), including the employees and agents of such company.
(17) MARKETING.—The term "marketing" means to make a communication about a product or service that encourages recipients of the communication to purchase or use the product or service.

(18) NONCOVERED ENTITY.—The term "noncovered entity" means any person or public or private entity that is not a covered entity, indirectly limited to a business associate of a covered entity, a covered entity if such covered entity is acting as a business associate, a health associated with a health care provider, public health authority, health oversight agency, or law enforcement official, or any person acting as an agent of such entities or persons.

(19) ORGANIZED HEALTH CARE ARRANGEMENT.—The term "organized health care arrangement" means (A) a clinically integrated care setting in which individuals typically receive health care from more than 1 health care provider; (B) an organized system of health care in which more than 1 covered entity participates, and in which the participating covered entities (i) hold themselves out to the public as participating in a joint arrangement; and (ii) participate in joint activities including at least—

(1) utilization review, in which health care decisions by participating covered entities are reviewed by other participating covered entities in the arrangement as a third party on their behalf; (II) quality improvement activities, in which treatment provided by participating covered entities is assessed by other participating covered entities or by a third party on their behalf; or (III) payment activities, if the financial risk for delivering health care is shared, in part or in whole, by participating covered entities through the joint arrangement and if protected health information created or received by a covered entity is reviewed by other participating covered entities or by a third party on their behalf for the purpose of administering the sharing of financial risk;

(C) a group health plan and a health insurance issuer or HMO with respect to such group health plan, but only with respect to protected health information necessary to accomplish the purpose for which the sale is made.

SEC. 403. AUTHORIZATION FOR SALE OR MARKETING OF PROTECTED HEALTH INFORMATION BY NONCOVERED ENTITIES.

(a) VALID AUTHORIZATION.—A valid authorization is a document that complies with all requirements of this section. Such authorization may include additional information not required under this section, provided that such information is not inconsistent with the requirements of this section.

(b) DEFECTIVE AUTHORIZATION.—An authorization is not valid, if the document submitted has any of the following defects:

(1) The expiration of the authorization or the expiration event is not known to the noncovered entity to have occurred.

(2) The authorization has not been filled out completely, with the element described in subsections (e) and (f).

(3) The authorization is known by the noncovered entity to have been revoked.

(4) The authorization lacks an element required by subsections (e) and (f).

(5) Any material information in the authorization is known by the noncovered entity to be false.

(c) REVOCATION OF AUTHORIZATION.—An individual may revoke an authorization provided under this section at any time prior to the revocation event, except to the extent that the noncovered entity has taken action in reliance thereon.

(d) DOCUMENTATION.—

(1) IN GENERAL.—A noncovered entity must document and retain any signed authorization under this section as required under paragraph (2).

(2) STANDARDS.—A noncovered entity shall, if a communication is required by this title to be in writing, maintain such writing, or an electronic copy, as documentation.

(3) RETENTION PERIOD.—A noncovered entity shall retain the documentation required by this section for 6 years from the date of its creation or the date when it last was in effect, whichever is later.

(e) CONTENT OF AUTHORIZATION.—

(1) CONTENT.—An authorization described in subsection (a) shall—

(A) contain a description of the information to be sold that identifies such information in a specific and meaningful manner;—

(B) contain the name or other specific identification of the person, or class of persons, authorized to sell the information;

(C) contain the name or other specific identification of the person, or class of persons, to whom the information is to be sold;—

(D) include an expiration date or an expiration event relating to the selling of such information that the authorization is valid until such date or event;—

(E) include a statement that the individual has a right to revoke the authorization in writing and the exceptions to the right to revoke, and a description of the procedure involved in such revocation;—

(F) be in writing and include the signature of the individual and the date, or if the authorization is signed by a personal representative of the individual, a description of such representative's authority to act for the individual;—

(G) include a statement explaining the purpose for which such information is sold.

(2) PLAIN LANGUAGE.—The authorization shall be written in plain language.

(f) NOTICE.—

(1) IN GENERAL.—The authorization shall include a statement that the individual may—

(A) inspect or copy the protected health information to be sold; and—

(B) refuse to sign the authorization.

(2) CONSENT OF THE INDIVIDUAL.—If the noncovered entity shall provide the individual with a copy of the signed authorization.
(g) **Model Authorizations.** —The Secretary, after notice and opportunity for public comment, shall develop and disseminate model written authorizations of the type described in subsection (a) and model statements of the limitations on such authorizations. Any authorization obtained on a model authorization form developed by the Secretary pursuant to this subsection shall be deemed to satisfy the requirements of this section.

(h) **Noncoercion.** —A covered entity or noncovered entity shall not condition the purchase of a product or the provision of a service to an individual based on whether such individual provides an authorization to such entity as described in this section.

## SEC. 404. Prohibition Against Retaliation

A noncovered entity that collects protected health information, may not adversely affect another person, directly or indirectly, because such person has exercised a right under this title, disclosed information relating to a possible violation of this title, or associated with, or assisted, a person in the exercise of a right under this title.

### SEC. 405. RULE OF CONSTRUCTION

The requirements of this title shall not be construed to apply to any additional items or documents, or in any way alter the requirements imposed upon covered entities under parts 160 through 164 of title 45, Code of Federal Regulations.

### SEC. 406. REGULATIONS

(a) **In General.** —The Secretary shall promulgate regulations implementing the provisions of this title.

(b) **Temporary.** —Not later than 1 year after the date of enactment of this Act, the Secretary shall publish proposed regulations in the Federal Register. With regard to such proposed regulations, the Secretary shall provide an opportunity for submission of comments by interested persons during a period of less than 60 days. Not later than 2 years after the date of enactment of this Act, the Secretary shall publish final regulations in the Federal Register.

### SEC. 407. ENFORCEMENT

(a) **In General.** —A covered entity or noncovered entity that knowingly violates section 402 shall be subject to a civil money penalty under this section.

(b) **Penalty.** —The civil money penalty described in subsection (a) shall not exceed $100,000. In determining the amount of any penalty to be assessed under this section, the Secretary shall take into account the previous record of compliance of the entity being assessed with the applicable provisions of this title and the gravity of the violation.

(c) **Administrative Review.**

(1) **Opportunity for Hearing.** —The entity assessed shall be afforded an opportunity for a hearing by the Secretary upon request made within 30 days after the date of the issuance of a notice of assessment. In such hearing the decision shall be made on the record as provided by title 45, Code of Federal Regulations.

(2) **Hearing Procedure.** —If a hearing is requested, the initial agency decision shall be made by an administrative law judge, and such decision shall become the final order unless the Secretary modifies or vacates the decision. Notice of intent to modify or vacate the decision of the administrative law judge shall be issued to the parties within 30 days of the final order of the decision of the judge. A final order which takes effect under this paragraph shall be subject to review only as provided under subsection (d).

(d) **Review.**

(1) **Filing of Action for Review.** —Any entity against whom an order imposing a civil money penalty has been entered after an agency hearing under this section may obtain review by the United States district court for any district in which such entity is located. The United States District Court for the District of Columbia by filing a notice of appeal in such court within 30 days from the date of such order, and simultaneously sending a copy of such notice by registered mail to the Secretary.

(2) **Certification of Administrative Record.** —The Secretary shall promptly certify and furnish the court the record upon which the penalty was imposed.

(3) **Standard for Review.** —The findings of the Secretary shall be set aside only if found to be clearly unsupported by substantial evidence as provided by section 706(e) of title 5, United States Code.

(4) **Appeal.** —Any final decision, order, or judgment of the district court concerning such review shall be subject to appeal as provided in chapter 38 of title 28 of such Code.

(e) **Failure to Pay Assessment; Maintenance of Action.**

(1) **Failure to Pay Assessment.** —If any entity fails to pay an assessment after it has been found to be liable, or a final agency decision finding an entity liable, is made following a final judgment in favor of the Secretary, the Secretary shall take such action as the Secretary believes appropriate to collect the assessment.

(2) **Nonreviewability.** —In such action the validity and appropriateness of the order imposing the penalty shall not be subject to review.

(3) **Payment of Penalties.** —Except as otherwise provided in this section, all penalties collected under this section shall be paid to the Secretary (or other officer) imposing the penalty and shall be available without appropriation and without fiscal year limitation for use by the Secretary to enforce the provisions with respect to which the penalty was imposed.

### TITLE V—DRIVER’S LICENSE PRIVACY

#### SEC. 501. DRIVER’S LICENSE PRIVACY

Section 2725 of title 18, United States Code, as amended by striking paragraphs (2) and (4) and adding the following:

(2) ‘‘person’’ means an individual, organization, or entity, but does not include a State or agency thereof;

(3) ‘‘personal information’’ means information that identifies an individual, including an individual’s social security number, driver identification number, name, address (but not the 5-digit zip code), telephone number, medical or disability information, or any other information available to a driver’s license, birth date, information on physical characteristics, including height, weight, sex, or eye color, or any biometric identifiers on a license, including a fingerprint, but not information on vehicular accidents, driving violations, and driver’s status;

(4) ‘‘highly restricted personal information’’ means information that is prohibited under title I, II, IV, or V of this Act or any amendment made by such a title, the State, or any other public or private entity violates such provision.

#### SEC. 601. ENFORCEMENT BY STATE ATTORNEYS GENERAL

(a) **In General.** —In any case in which the attorney general of a State has reason to believe that an interest of the residents of the State has been or is threatened or adversely affected by a violation made by an individual in a practice that is prohibited under title I, II, or IV of this Act or under any amendment made by such a title, the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction.

(A) enjoin that practice; 

(B) enjoin enforcement with such titles or amendments;

(C) enjoin any damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(b) **Notice.**

(1) **In General.** —Before filing an action under paragraph (1), the attorney general of the State shall provide notice to the Attorney General—

(i) written notice of the action; and

(ii) a copy of the complaint for the action.

(2) **Exemption.** —In general—

(A) the attorney general of a State shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the State attorney general determines that it is not feasible to provide the notice described in subparagraph (A), before the filing of the action.

(c) **Compliance.** —The action described in clause (1), the attorney general of a State shall provide notice and a copy of the complaint to the Attorney General at the same time as the State attorney general files the action.

(b) **Intervention.** —On receiving notice under subsection (a), the Attorney General shall have the right to intervene in the action that is the subject of the notice.

### EFFECT OF INTERVENTION

(1) **In General.** —If the Attorney General intervenes in an action under subsection (a), the Attorney General shall have the right to be heard with respect to any matter that arises in that action.

### CONSTRUCTION

(1) **For Purposes of Bringing Any Civil Action Under Subsection (a).** —nothing in this Act shall be construed to prevent an attorney general of a State from exercising the powers conferred on such attorney general by the laws of that State to—

(A) conduct investigations;

(B) administer oaths or affirmations; or

(C) compel the attendance of witnesses or the production of documentary and other evidence.

### ACTIONS BY THE ATTORNEY GENERAL OF THE UNITED STATES

(1) **In General.** —In any case in which an action is instituted by or on behalf of the Attorney General of the United States, that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

### SERVICE OF PROCESS

(1) **Venue.** —Any action brought under subsection (a) may be brought in the district court of the United States for the district in which venue is proper.

### MISCELLANEOUS

#### SEC. 602. FEDERAL INJUNCTIVE AUTHORITY

In addition to any other enforcement authority conferred under this Act or any amendment made by this Act, the United States Government shall have injunctive authority with respect to any violation of any provision of this Act, or of any amendment made by this Act, without regard to whether a public or private entity violates such provision.

January 24, 2005

CONGRESSIONAL RECORD — SENATE
were more likely to graduate from high school and be employed at age 40, earn more money a year, and were more likely to own a home and have a savings account.

We can save millions by providing low-income children with access to quality preschool where they will gain the needed skills to succeed in school and life.

In order to give every child a head start in life, we must continue to recruit highly qualified teachers to the Head Start field and prevent the best teachers from leaving.

Many Head Start programs across the country, including in California, are losing qualified teachers to local school districts in part because the pay is lower.

Nationally, the average Head Start teacher earns a salary of $21,287 compared to $43,152 for an elementary school teacher.

Head Start teachers are making half of what elementary school teachers are paid on average.

Low pay, combined with increasing student debt, is a real deterrent to getting college graduates to become Head Start teachers.

And every teacher that Head Start loses impacts the quality and access to services for our nation’s low-income children.

One way to recruit and retain highly qualified Head Start teachers is to offer incentives to pursue a career in this field.

Current law allows elementary and secondary school teachers to receive up to $5,000 in loan forgiveness in exchange for five years of service.

We believe Head Start teachers should be given this same opportunity.

The legislation we are introducing today is meant to encourage recent graduates, current Head Start teachers without a degree, and college students to enter and remain in the Head Start field.

In exchange for 5 years of service, a Head Start teacher could receive up to $5,000 of their federal loans forgiven.

We must continue to improve the Head Start program so that children will have the necessary cognitive skills when they leave the program, such as being able to count to ten, begin to recite the alphabet, and recognize sizes and colors.

This is just the first step. To further ensure cognitive learning, we must also continue to raise the standards and pay for Head Start teachers.

Providing our nation’s low-income children with access to highly educated and qualified teachers so that they enter school ready to learn is critical to their future success and should be a priority of this Congress.

I urge my colleagues to support this legislation. 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:

SEC. 1. LOAN FORGIVENESS FOR HEAD START TEACHERS.

(a) SHORT TITLE.—This section may be cited as the "Loan Forgiveness for Head Start Teachers Act of 2005".

(b) HEAD START TEACHERS.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1070d) is amended—

(1) in subsection (b), by striking paragraph (1) and inserting the following:

"(1)(A) has been employed;

(b) as a full-time teacher for 5 consecutive complete school years in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teaches in such a school; or

(ii) as a Head Start teacher for 5 consecutive complete program years under the Head Start Act; and

(ii) if employed as an elementary school or secondary school teacher, is highly qualified as defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

(iii) if employed as a Head Start teacher, has demonstrated knowledge and teaching skills in reading, writing, early childhood development, and other areas of a preschool curriculum, with a focus on cognitive learning; and;

(2) in subsection (g), by adding at the end the following:

"(3) HEAD START.—An individual shall be eligible for loan forgiveness under this section for service described in clause (i) of subsection (b)(1)(A) if the individual received a baccalaureate or graduate degree on or after the date of enactment of the Loan Forgiveness for Head Start Teachers Act of 2005; and

(3) by adding at the end the following:

"(1) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated such sums as may be necessary for fiscal year 2009 and succeeding fiscal years to carry out the program under this section.

(2) DIRECT STUDENT LOAN FORGIVENESS.—

(A) in subsection (b)(1), by striking subparagraph (A) and inserting the following:

"(A) has been employed;

(B) as a full-time teacher for 5 consecutive complete school years in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teaches in such a school; or

(ii) as a Head Start teacher for 5 consecutive complete program years under the Head Start Act; and

(ii) if employed as an elementary school or secondary school teacher, is highly qualified as defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

(ii) if employed as a Head Start teacher, has demonstrated knowledge and teaching skills in reading, writing, early childhood development, and other areas of a preschool curriculum, with a focus on cognitive learning; and;

(B) in subsection (g), by adding at the end the following:

"(3) HEAD START.—An individual shall be eligible for loan forgiveness under this section for service described in clause (i) of subsection (b)(1)(A) if the individual received a baccalaureate or graduate degree on or after the date of enactment of the Loan Forgiveness for Head Start Teachers Act of 2005; and

(3) by adding at the end the following:

"(1) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated such sums as may be necessary for fiscal year 2009 and succeeding fiscal years to carry out loan
repayment under this section for service described in subclause (II) of subsection (b)(1)(A));

(b) REPORTING AMENDMENTS—

(i) FFEL PROGRAM.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078–10) is amended—

(A) in subsection (c)(1), by inserting “or fifth complete school year” after “fifth complete school year of teaching”;

(B) in subsection (f), by striking “subsection (b)”, and inserting “subsection (b)(1)(A)”;

(C) in subsection (g)(1)(A), by striking “subsection (b)(1)(A)” and inserting “subsection (b)(1)(A)(I)”;

(D) in subsection (h), by inserting “except as part of the term ‘program year,’” before “where”.

(ii) DIRECT LOAN PROGRAM.—Section 460 of the Higher Education Act of 1965 (20 U.S.C. 1087f) is amended—

(A) in subsection (c)(1), by inserting “or fifth complete program year” after “fifth complete school year of teaching”;

(B) in subsection (f), by striking “subsection (b)”, and inserting “subsection (b)(1)(A)”;

(C) in subsection (g)(1)(A), by striking “subsection (b)(1)(A)” and inserting “subsection (b)(1)(A)(I)”;

(D) in subsection (h), by inserting “except as part of the term ‘program year,’” before “where”.

(iii) LOAN FORGIVENESS FOR HEAD START TEACHERS

ACT OF 2005

Mr. VOINOVICH. Mr. President, I am pleased to join my friend and colleague from California, Senator DIANNE FEINSTEIN, in introducing very important legislation that I believe will encourage young teachers to go into early childhood education, improve the qualifications of current early educators, and lead to a better education for our Nation’s youngest children.

Study after study on human development has found that there is no more important time in a child’s life than their earliest years. In fact, the learning opportunities in these years have a critical and decisive impact on the development of the brain and on the nature and extent of their adult capabilities.

In order to maximize their potential, we must begin to teach our children the necessary learning skills they will utilize throughout their lives as early as possible; well before they reach kindergarten.

I know of few other programs that have the same potential to meet this goal as Head Start.

When I was Governor of Ohio, we invested heavily in Head Start, increasing funding from $15 million in 1996, to $180 million in 1998.

By the time I left office, there was a space available for every eligible child in Ohio whose parents wanted them in a Head Start or pre-school program, and because of our efforts, Ohio led the Nation in terms of children served by Head Start.

Now that I am in the Senate, I continue to believe that it is absolutely critical that we do more to help our young people prepare to begin school “ready to learn.”

The results of a survey undertaken by the U.S. Department of Health and Human Services in 1996 and 2000 has shown a significant correlation between the quality of education a child receives and the amount of education that child’s teacher possesses.

Unfortunately, nationwide, just 30 percent of Head Start teachers have earned a baccalaureate or advanced degree.

By Ohio law, by 2007, all Head Start teachers must have at least an associate’s degree. It is hoped that this requirement will encourage Head Start educators to pursue a bachelor’s or even an advanced degree. After all, the more education our teachers have, the better off our children will be.

Unfortunately, we all know, education can be expensive.

The bill we are introducing is designed to encourage currently enrolled and incoming college students working on a bachelor’s or a master’s degree to pursue a career as a Head Start teacher. It is also intended to assist current Head Start teachers, who wish to pursue a degree, to remain in the field.

In exchange for a 5-year teaching commitment in a qualified Head Start program, a college graduate with a minimum of a bachelor’s degree could receive up to $5,000 in forgiveness for their Federal student loan. Current law already permits elementary and secondary educators to receive this type of loan forgiveness. It is time to give Head Start teachers this same opportunity.

Recruiting and retaining Head Start and early childhood teachers continues to be a challenge for Ohio and other States. This is not surprising. On average, Head Start teachers earn about half of the average salary of kindergarten teachers. For Head Start providers, this financial difference combined with the growing cost of a college education degree makes it difficult to recruit quality teachers.

This bill will help communities, schools, and other funders Head Start providers to meet the challenge of recruiting and retaining high quality teachers. It is one of the best ways that I know of where we can make a real difference in the lives of our most precious resource, our children.

One of the best uses of our Federal education resources is to target them toward our youngest citizens where they can have the most impact.

I am pleased to have been able to work with my colleague Senator FEINSTEIN on this legislation, and I ask for my colleagues’ support.

By Mrs. FEINSTEIN:

S. 118. A bill for the relief of Maria Cristina DeGrassi; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I offer today private relief legislation to provide lawful permanent residence status to Maria Cristina DeGrassi, a 37-year-old severely disabled Italian national who resides with her family in San Mateo, California.

I have decided to offer private relief legislation on Ms. DeGrassi’s behalf because I believe that her removal from the United States would be tragically unfair not only to her, but to her sister and brother-in-law, Daniela Degrassi and Luca Prasso, who reside legally in the United States and who are Ms. Degrassi’s closest family and only living caregivers.

Ms. Degrassi has legally resided in the United States since 1997 on a non-immigrant tourist visa. However, she is not like an ordinary tourist. She cannot enjoy California’s beautiful coast, mountains, vineyards, or Napa Valley wineries. She cannot tour Hollywood movie studios or go to any movie without insulin shots and a carefully monitored diet.

For Ms. DeGrassi, the sum of these health problems means that she must have 24-hour-a-day, 7-day-a-week personal care and attention. Luckily, however, there are two people in Ms. DeGrassi’s life who are more than happy not only to care for her daily needs, but to love and nurture her.

Ms. Degrassi’s sister, Daniela, and her brother-in-law, Luca, are legal permanent residents of the United States. Mr. Prasso is a highly skilled and valued employee of PDI-DreamWorks, the world renowned movie production company. Serving as a Character Technical Supervisor and earning nearly $200,000 per year, Mr. Prasso has worked on such critically acclaimed films as “Shrek” and “ANTZ.”

In the course of that work, Mr. Prasso has developed and patented new technologies and become a leader in his field. In a letter in support of this legislation, Mr. Prasso referred to Mr. Prasso’s skills as “irreplaceable.”

Daniela Degrassi has also excelled in the United States, starting a successful freelance photography career and business.

Together, Mr. Prasso and Daniela Degrassi have provided Ms. DeGrassi with the love, care and attention that she so desperately needs. When Ms. DeGrassi’s father and aunt died in 1997, the couple knew that the only family left who was willing to care for her. The choice for them was clear. Mr. Prasso wrote in a letter he sent me, “My wife and I then faced a big decision. We refuse[d] completely to put her in an institution. We [could not] accept the idea of not being able to properly take care of her. No other relative was alive or came forward to offer help. We were the only and closest persons to Cristina. We decided to take care of her like a daughter.”

For the past seven years, Mr. Prasso and Daniela Degrassi have done just that, organizing their lives around caring for and attending to Ms. DeGrassi.
They cook for her and clothe and bathe her on a daily basis. Because of the close monitoring Ms. Degraspi's diabetic condition requires, when the couple wants to go out to dinner or see a movie, they must do so separately so that she is always taken care of with Ms. Degraspi in case of an emergency.

Despite the hardships that caring for Ms. Degraspi have imposed upon Mr. Prasso and Daniela Degraspi, the experience has deeply enriched their lives. In Mr. Prasso's letter, he wrote, "despite my long work hours and my wife's new successful business as a photographer, we are able and fully committed to continue to take care [of Cristina] 24 hours a day... The reward of faced with Cristina in the morning and the possibility Cristina is an amazing thing and makes all the pain disappear."

Unfortunately, if this private relief bill is not approved, this wonderful family will face a tragic set of choices. Since 1997, Ms. Degraspi has applied for and always received six-month extensions of her non-immigrant tourist visa. The Degraspi's lawyer has informed the couple that approval of the current visa is unlikely and has recommended they withdraw their petition. This would leave Ms. Degraspi with nothing. There are no other avenues available for her to remain in the United States lawfully. In short, if this private relief legislation is not approved, Ms. Degraspi will be forced to return to Italy.

However, Mr. Prasso and Daniela Degraspi's love for their sister will never allow her to return to Italy alone. Since Cristina's removal, the couple will leave their lives in California and move back with her in order to continue to provide the care and attention on which Ms. Degraspi depends.

The consequences of such a move will be tragic for this family. It will mean the end of Mr. Prasso's highly accomplished career with DreamWorks, as well as, the end of the photography career of Daniela Degraspi has worked so hard to build. In addition, both Mr. Prasso and Daniela Degraspi are eligible to become United States citizens this year.

I can think of no compelling reasons why the United States should not enable this family to continue as they have in California. Because of the substantial salary that Mr. Prasso and Daniela Degraspi earn and because of the monthly pension Ms. Degraspi receives from the Italian government, there is almost no chance that Ms. Degraspi will become a burden on the state or federal government.

In Mr. Prasso's letter to me, he made this simple request, "we are looking forward to finding a permanent solution to this dilemma that does not involve dismembering this family or giving up on a wonderful job. A solution that will allow us to live a normal life like a normal family." We can make this solution a reality for Ms. Degraspi and this wonderful family. For that reason, I offer this private relief legislation and ask my colleagues to support it.

Given these extraordinary and unique facts, I ask my colleagues to support this private relief bill on behalf of Ms. Degraspi.

I also 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. 118

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

SECTION 1. ADJUSTMENT OF STATUS.

(a) IN GENERAL.—Notwithstanding any other provision of law or any order, for the purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Maria Cristina DeGrassi shall be deemed to have been lawfully admitted to, and remained in, the United States, and shall be eligible for issuance of an immigrant visa or for adjustment of status under the Immigration and Nationality Act (8 U.S.C. 1255).

(b) APPLICATION AND PAYMENT OF FEES.—

Subsection (a) shall apply only if the application for adjustment of status or the application for adjustment of status is filed with appropriate fees within 2 years after the date of enactment of this Act.

(c) REDUCTION OF IMMIGRANT VISA NUMBERS.—Upon the granting of an immigrant visa to Maria Cristina DeGrassi, the Secretary of State shall instruct the proper officer to reduce by 1, during the current or subsequent fiscal year, the total number of immigrant visas that are made available to natives of the country of the alien's birth under the Immigration and Nationality Act (8 U.S.C. 1153(e), as applicable.

By Mrs. FEINSTEIN (for herself, Ms. COLLINS, Mr. SCHUMER, Mr. HAGEL, Mr. DURBIN, Mr. DEWINE, Ms. CANTWELL, Mr. INOUYE, and Mr. FEINGOLD):

S. 119. A bill to provide for the protection of unaccompanied alien children, and for other purposes; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I introduce today the "Unaccompanied Alien Child Protection Act of 2005", legislation to reform the way the federal government treats unaccompanied alien children who are apprehended by federal immigration officials at our borders or within the United States.

I first introduced legislation similar to this bill during the 107th Congress and still strongly believe that its passage is necessary to ensure the proper treatment of unaccompanied alien children within our federal system. With each passing year, as members realize the necessity for this legislation, the bill has moved further along in the process.

I am pleased to be joined by Senators COLLINS, SCHUMER, HAGEL, DURBIN, DEWINE, CANTWELL, INOUYE and FEINGOLD as original co-sponsors of this legislation.

During the 108th Congress, the "Unaccompanied Alien Child Protection Act" passed the Senate by unanimous consent, after garnering no less than 34 co-sponsors. Unfortunately, the bill stalled in the House of Representatives.

So today I re-introduce this legislation, and again, this will be one of my top legislative priorities. I believe we have a special obligation to ensure that every child that comes into contact with federal officials is afforded fair and humane treatment.

In 2004, approximately 6,200 unaccompanied alien children were apprehended by Department of Homeland Security officials and transferred to the care of the Office of Refugee Resettlement within the Department of Health and Human Services. This number has grown over the years and shows no signs of abating.

Thousands of foreign-born children under the age of 18 enter the United States each year unaccompanied by parents or other legal guardians. These children are among the most vulnerable of the immigrant population and these numbers are going to continue to grow given the greater emphasis on enforcement actions by immigration officials—which I support—and the relatively unchanged conditions bringing them here.

These children are from all over the world, although the majority encountered by immigration officials today are from Honduras, Guatemala and El Salvador. Some are asylum seekers fleeing human rights violations in their homelands. Others are fleeing abuses specific to children, such as forced recruitment of child soldiers, forced prostitution and servitude, sexual slavery and exploitation, child labor, abuse of street children, child brides and female genital mutilation. Yet other children come to the United States because they have been abused, abandoned or neglected by their parents or caregivers. And finally, some are seeking to reunify with family members already in the United States or seeking a better life.

Historically, U.S. immigration law and policies have been developed and implemented without regard to their effect on children. This result has been similar to trying to fit a square peg in a round hole—it just doesn't work.

Under current immigration law, these children are forced to struggle through a system designed for adults, through a system they often find confusing and intimidating. Children are forced to struggle through a system designed for adults, through a system they find difficult to understand nuanced legal principles or courtroom and administrative procedures. Because of this, children who may very well be eligible for relief are often vulnerable to being deported back to the very life-threatening situations from which they fled—therefore they are even able to make their cases before the Department of Homeland Security or an immigration judge.

Prior to March 1, 2003, the Immigration and Naturalization Service had responsibilities for the care and treatment of unaccompanied alien children. Unfortunately, the Immigration and Naturalization Service fell short in
fulfilling these responsibilities. The legislation that I am introducing today builds on Section 462 of Public Law 107–296, the Homeland Security Act of 2002, which provided for the transfer of responsibility for the care and placement of unaccompanied alien children from the now-abolished Immigration and Naturalization Service to the Office of Refugee Resettlement within the Department of Health and Human Services.

Section 462 was based on S. 121, comprehensive legislation relating to unaccompanied alien children that I introduced during the 107th Congress.

With the enactment of the Homeland Security Act of 2002, we set into motion the centralization of responsibility for the care and custody of unaccompanied alien children with the Office of Refugee Resettlement. The first phase of this transfer of responsibility occurred on March 1, 2003. Once the transition was completed, we finally resolved the conflict of interest inherent in the former system which pitted the enforcement side of the Immigration and Naturalization Service against the benefits side of that same agency in the care of unaccompanied alien children.

I am pleased that the provision transferring responsibility for the care and custody of unaccompanied alien children was contained in the Homeland Security Act of 2002, and that by all accounts the transition in the care of children between the affected agencies has gone well.

But, the transfer of authority to the Office of Refugee Resettlement—by itself—is not enough to ensure that these children are treated fairly and humanely. Congress now has a responsibility to go beyond the simple transfer to actually laying out the process and steps to ensure that unaccompanied alien children are treated fairly and humanely. The Department of Homeland Security and the Department of Justice with the tools they will need to succeed in their missions regarding the care of unaccompanied alien children after the transfer of jurisdiction took place.

First of all, I want to stress that this bill is about the process of how we treat these children.

The “Unaccompanied Alien Child Protection Act” provides guidance and instruction to the Office of Refugee Resettlement, the Department of Homeland Security and the Department of Justice in the following areas:

First, in the custody, release, family reunification and detention of unaccompanied alien children;

Second, it provides access by unaccompanied alien children to guardians ad litem and pro bono counsel;

Third, it streamlines the Special Immigrant Juvenile (SIJ) program and provides guidance on the training of federal government officials and private parties who come into contact with unaccompanied alien children;

Fourth, it requires the issuance of guidelines specific to children’s asylum claims;

Fifth, it authorizes appropriations for the care of unaccompanied alien children; and

Sixth, it amends the Homeland Security Act of 2002 to provide additional responsibilities and powers to the Office of Refugee Resettlement with respect to unaccompanied alien children.

Central throughout the “Unaccompanied Alien Child Protection Act” are two concepts:

The United States government has a fundamental responsibility to protect unaccompanied children in its custody; and in all proceedings and actions, the government should have as a priority protecting the interests of these children.

I first became involved in this issue in 2000 when I heard about a young 15-year-old Chinese girl who stood before a U.S. immigration court facing deportation proceedings with her hands chained to her waist, like a criminal. She had found her way to the United States as a stowaway in a container captured off of Guam, hoping to escape the repression she had experienced in her home country.

She had been placed on a boat bound for the United States by her very own parents, rising China’s rigid family planning laws. Under these laws, she was denied citizenship, education and medical care. She came to this country alone and desperate.

And what did our immigration authorities do when they found her? The Immigration and Naturalization Service detained her in a juvenile jail in Portland, Oregon for eight months before her asylum hearing, and more than seven weeks after she was granted asylum.

At her asylum hearing, the young girl stood before a judge, unrepresented by counsel, confused and unable to understand the proceedings against her. She could not wipe away the tears from her face because her hands were chained to her waist. According to a lawyer who later came to represent her, “her only crime was that her parents had put her on a boat so she could get a better life over here.”

While the young girl eventually received asylum in our country, she unnecessarily faced an ordeal no child should bear under our immigration system. This young Chinese girl represents only one of the more than 6,000 foreign-born children who, without parents or legal guardians to protect them, are discovered in the United States each year in need of protection.

This is unacceptable treatment and we have a responsibility to do better than this.

Imagine the fear of an unaccompanied alien child, in the United States alone, without a parent or guardian. Imagine that child being thrust into a system he or she does not understand, provided no access to pro bono counsel or guardians ad litem, placed in jail with adults or housed with juveniles with serious criminal convictions. I find it hard to believe that our country would allow children to be treated in such a manner.

That is why I am introducing this legislation today. The “Unaccompanied Alien Child Protection Act” will help our country fulfill the special obligation to these children to treat them fairly and humanely.

I am proud to have the support of the United States Conference of Catholic Bishops, the Women’s Commission on Refugee Women and Children, the Lutheran Immigration and Refugee Service, Amnesty International USA and the United Nations High Commissioner for Refugees, and many other organizations with whom I have worked closely to develop this legislation.

I urge my colleagues to join with me by cosponsoring this important measure and ensuring that these reforms are finally enacted.

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. 119

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

SECTION I. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Unaccompanied Alien Child Protection Act of 2005”. (b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents
Sec. 2. Definitions

TITLE I—CUSTODY, RELEASE, FAMILY REUNIFICATION, AND DETENTION

Sec. 101. Procedures when encountering unaccompanied alien children
Sec. 102. Family reunification for unaccompanied alien children with relatives in the United States
Sec. 103. Appropriate conditions for detention of unaccompanied alien children
Sec. 104. Repatriated unaccompanied alien children
Sec. 105. Establishing the age of an unaccompanied alien child
Sec. 106. Effective date

TITLE II—ACCESS BY UNACCOMPANIED ALIEN CHILDREN TO GUARDIANS AD LITEM AND COUNSEL

Sec. 201. Guardians ad litem
Sec. 202. Counsel
Sec. 203. Effective date; applicability

TITLE III—STRENGTHENING POLICIES FOR PERMANENT PROTECTION OF ALIEN CHILDREN

Sec. 301. Special immigrant juvenile visa
Sec. 302. Training for officials and certain private parties who come into contact with unaccompanied alien children
Sec. 303. Report
Sec. 304. Effective date

TITLE IV—CHILDREN REFUGEE AND ASYLUM SEEKERS

Sec. 401. Guidelines for children’s asylum claims
Sec. 402. Unaccompanied refugee children
Sec. 403. Exceptions for unaccompanied alien children in asylum and refugee-like circumstances

TITLES
TITLES

TITLE VI—AUTHORIZATION OF APPROPRIATIONS
TITLE VI—AUTHORIZATION OF APPROPRIATIONS

Sec. 501. Authorization of appropriations
Sec. 601. Authorization of appropriations

TITLE VII—AMENDMENTS TO THE HOMELAND SECURITY ACT OF 2002
TITLE VII—AMENDMENTS TO THE HOMELAND SECURITY ACT OF 2002

Sec. 601. Additional responsibilities and powers of the Office of Refugee Resettlement with respect to unaccompanied alien children
Sec. 602. Technical corrections
Sec. 603. Effective date

SEC. 1. Definitions.

(a) In general.—In this Act:
(1) Competent.—The term “competent”, in reference to counsel, means an attorney who—
(A) complies with the duties set forth in this Act;
(B) is a member in good standing of the bar of the highest court of any State, possession, territory, Commonwealth, or the District of Columbia;
(C) is not under any order of any court suspending, enjoining, restraining, disbarring, or otherwise restricting the attorney in the practice of law; and
(D) is properly qualified to handle matters involving unaccompanied immigrant children who is working under the auspices of a qualified nonprofit organization that is experienced in handling such matters.
(2) Directorate.—The term “Directorate” means the Director of the Office.
(3) Director.—The term “Director” means the Director of the Office.

(b) Appointments.—Except as otherwise provided in this Act, an unaccompanied alien child who is described in paragraph (2) at a border of the United States and that has an agreement in writing with the United States providing for the safe return and emergency care of unaccompanied alien children who are nationals or habitual residents of such country shall be treated in accordance with paragraph (1), if a determination is made on a case-by-case basis that—
(i) such child is a national or habitual resident of a country described in this subparagraph;
(ii) such child does not have a fear of returning to the child’s country of nationality or country of last habitual residence owing to a fear of persecution;
(iii) the return of such child to the child’s country of nationality or country of last habitual residence would not endanger the life or safety of such child; and
(iv) the child is able to make an independent decision to withdraw the child’s application for admission due to age or other lack of capacity.

(c) Right of consultation.—Any child described in clause (i) of paragraph (1), not later than 72 hours after a determination is made that such child is an unaccompanied alien child:
(i) in the case of a child not described in subparagraph (B) or (C) of paragraph (1), not later than 72 hours after a determination is made that such child is an unaccompanied alien child;
(ii) in the case of a child whose custody and care has been retained or assumed by the Director in accordance with subparagraph (B) or (C) of paragraph (1), immediately following a determination that the child no longer meets the description set forth in such subparagraphs; or
(iii) in the case of a child who was previously released to an individual or entity described in section 102(a)(1), upon a determination by the Director that such individual or entity is no longer able to care for the child.

(d) Transfer to the directorate.—Upon determining that a child in the custody of the Office is described in subparagraph (B) or (C) of paragraph (1), the Director shall transfer the care and custody of such child to the Directorate.

(e) Promptness of transfer.—In the event of a need to transfer a child under this paragraph, the sending office shall make prompt arrangements to transfer such child and the receiving office shall make prompt arrangements to receive such child.

(f) Determination.—In any case in which the age of an alien is in question and the resolution of questions about the age of such alien would affect the alien’s eligibility for services authorized under this Act, the custody, care, and removal of such alien child shall be determined in accordance with section 102(a)(1), upon a determination by the Secretary of Homeland Security that the child is an unaccompanied alien child who—
(i) has been charged with any felony, excluding offenses prescribed by the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), while such charges are pending; or
(ii) has been convicted of any such felony.

Title I—Custody, Release, Family Reunification, and Detention

TITLE I—CUSTODY, RELEASE, FAMILY REUNIFICATION, AND DETENTION

Sec. 101. Procedures when encountering unaccompanied alien children.

(a) Unaccompanied children found along the United States border or at United States ports of entry.—
(1) In general.—Subject to paragraph (2), if an immigration officer finds an unaccompanied alien child as described in paragraph (2) at a land border or port of entry of the United States and determines that such child is inadmissible under the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)); and
(2) return such child to the child’s country of nationality or country of last habitual residence.

(b) Special rule for contiguous countries.—
(1) In general.—Any child who is a national or habitual resident of a country that is contiguous with the United States and that has an agreement in writing with the United States providing for the safe return and emergency care of unaccompanied alien children who are nationals or habitual residents of such country shall be treated in accordance with paragraph (1), if a determination is made that such child is a national or habitual resident of a country described in this subparagraph—
(i) such child is a national or habitual resident of a country described in this subparagraph;
(ii) such child does not have a fear of returning to the child’s country of nationality or country of last habitual residence owing to a fear of persecution;
(iii) the return of such child to the child’s country of nationality or country of last habitual residence would not endanger the life or safety of such child; and
(iv) the child is able to make an independent decision to withdraw the child’s application for admission due to age or other lack of capacity.

(c) Right of consultation.—Any child described in clause (i) of paragraph (1), not later than 72 hours after a determination is made that such child is an unaccompanied alien child:
(i) in the case of a child not described in subparagraph (B) or (C) of paragraph (1), not later than 72 hours after a determination is made that such child is an unaccompanied alien child;
(ii) in the case of a child whose custody and care has been retained or assumed by the Director in accordance with subparagraph (B) or (C) of paragraph (1), immediately following a determination that the child no longer meets the description set forth in such subparagraphs; or
(iii) in the case of a child who was previously released to an individual or entity described in section 102(a)(1), upon a determination by the Director that such individual or entity is no longer able to care for the child.

(d) Transfer to the directorate.—Upon determining that a child in the custody of the Office is described in subparagraph (B) or (C) of paragraph (1), the Director shall transfer the care and custody of such child to the Directorate.

(e) Promptness of transfer.—In the event of a need to transfer a child under this paragraph, the sending office shall make prompt arrangements to transfer such child and the receiving office shall make prompt arrangements to receive such child.

(f) Determination.—In any case in which the age of an alien is in question and the resolution of questions about the age of such alien would affect the alien’s eligibility for services authorized under this Act, the custody, care, and removal of such alien child shall be determined in accordance with section 102(a)(1), upon a determination by the Secretary of Homeland Security that the child is an unaccompanied alien child who—

Title II—Definitions

TITLE II—DEFINITIONS

Sec. 2. Definitions.

(a) In general.—In this Act:
(1) Competent.—The term “competent”, in reference to counsel, means an attorney who—
(A) complies with the duties set forth in this Act;
(B) is a member in good standing of the bar of the highest court of any State, possession, territory, Commonwealth, or the District of Columbia;
(C) is not under any order of any court suspending, enjoining, restraining, disbarring, or otherwise restricting the attorney in the practice of law; and
(D) is properly qualified to handle matters involving unaccompanied immigrant children who is working under the auspices of a qualified nonprofit organization that is experienced in handling such matters.
(2) Directorate.—The term “Directorate” means the Director of the Office.
(3) Director.—The term “Director” means the Director of the Office.

(b) Appointments.—Except as otherwise provided in this Act, an unaccompanied alien child who is described in paragraph (2) at a border of the United States and that has an agreement in writing with the United States providing for the safe return and emergency care of unaccompanied alien children who are nationals or habitual residents of such country shall be treated in accordance with paragraph (1), if a determination is made on a case-by-case basis that—
(i) such child is a national or habitual resident of a country described in this subparagraph;
(ii) such child does not have a fear of returning to the child’s country of nationality or country of last habitual residence owing to a fear of persecution;
(iii) the return of such child to the child’s country of nationality or country of last habitual residence would not endanger the life or safety of such child; and
(iv) the child is able to make an independent decision to withdraw the child’s application for admission due to age or other lack of capacity.

(c) Right of consultation.—Any child described in clause (i) of paragraph (1), not later than 72 hours after a determination is made that such child is an unaccompanied alien child:
(i) in the case of a child not described in subparagraph (B) or (C) of paragraph (1), not later than 72 hours after a determination is made that such child is an unaccompanied alien child;
(ii) in the case of a child whose custody and care has been retained or assumed by the Director in accordance with subparagraph (B) or (C) of paragraph (1), immediately following a determination that the child no longer meets the description set forth in such subparagraphs; or
(iii) in the case of a child who was previously released to an individual or entity described in section 102(a)(1), upon a determination by the Director that such individual or entity is no longer able to care for the child.

(d) Transfer to the directorate.—Upon determining that a child in the custody of the Office is described in subparagraph (B) or (C) of paragraph (1), the Director shall transfer the care and custody of such child to the Directorate.

(e) Promptness of transfer.—In the event of a need to transfer a child under this paragraph, the sending office shall make prompt arrangements to transfer such child and the receiving office shall make prompt arrangements to receive such child.

(f) Determination.—In any case in which the age of an alien is in question and the resolution of questions about the age of such alien would affect the alien’s eligibility for services authorized under this Act, the custody, care, and removal of such alien child shall be determined in accordance with section 102(a)(1), upon a determination by the Secretary of Homeland Security that the child is an unaccompanied alien child who—

Title III—Appropriations

TITLE III—APPROPRIATIONS

Sec. 305. Congressional record.
SEC. 102. FAMILY REUNIFICATION FOR UNACCOMPANIED ALIEN CHILDREN WITH RELATIVES IN THE UNITED STATES.

(a) Placement Authority.—

(1) Placement preference.—Subject to the discretion of the Director under paragraph (4), section 106(a)(2), and section 462(b)(2) of the Homeland Security Act of 2002 (6 U.S.C. 279(b)(2)), an unaccompanied alien child in the custody of the Office shall be promptly placed with 1 of the following individuals or entities in the following order of preference:

(A) A parent who seeks to establish custody, as described in paragraph (3)(A).

(B) A legal guardian who seeks to establish custody, as described in paragraph (3)(A).

(C) An adult relative.

(D) An individual or entity designated by the parent or legal guardian that is capable and willing to care for the well-being of the child.

(E) A State-licensed juvenile shelter, group home, or foster care program willing to accept physical custody of the child.

(F) A qualified adult or entity seeking custody of the child when it appears that there is no other likely alternative to long-term detention for reunification does not appear to be a reasonable alternative. For purposes of this subparagraph, the Office shall decide who is a qualified adult or entity and appropriate adults or the director in accordance with such decision.

(2) Suitability Assessment.—Notwithstanding paragraph (1), no unaccompanied alien child shall be placed with a person or entity unless a valid suitability assessment conducted by an agency of the State of the child’s proposed residence, by an agency authorized by that State to conduct such an assessment, or by an appropriate voluntary agency contracted with the Office to conduct such assessments finds that the person or entity is capable of providing for the child’s physical and mental well-being.

(3) Right of Parent or Legal Guardian to Custody of Unaccompanied Alien Child.—

(A) Placement with parent or legal guardian.—If an unaccompanied alien child is placed with any person or entity other than a parent or a legal guardian, the Director shall frequent to that placement a parent or legal guardian seeks to establish custody, the Director shall:

(i) ensure the suitability of placing the child with the parent or legal guardian; and

(ii) make a written determination on the child’s placement within 30 days.

(B) Right of Child to Determine.—Nothing in this Act shall be construed to—

(i) supersede obligations under any treaty or other international agreement to which the United States is a party, including the Hague Convention on the Civil Aspects of International Child Abduction, the Vienna Declaration and Program of Action, and the Declaration and the Resolutions of the Commission on Human Rights of the United Nations;

(ii) limit any right or remedy under such international agreement.

(4) Protection from Smuggling and Trafficking.—

(A) Policies and programs.—

(i) in general.—The Director shall establish policies and programs to ensure that unaccompanied alien children are protected from smugglers, traffickers, or other persons seeking to victimize or otherwise engage such children in criminal, harmful, or exploitative activity.

(ii) Witness protection programs included.—Programs established pursuant to clause (i) may include witness protection programs.

(B) Criminal Investigations and Prosecutions.—Any officer or employee of the Office or the Department of Homeland Security, and any grantee or contractor of the Office, who suspects any individual of involvement in any activity described in subparagraph (A) shall report such information to the State prosecutors for criminal investigation and prosecution.

(C) Disciplinary Action.—Any officer or employee of the Office, the Department of Homeland Security, and any grantee or contractor of the Office, who suspects an attorney of involvement in any activity described in subparagraph (A) shall report the individual to the State bar association of which the attorney is a member, or to other appropriate disciplinary authorities, for appropriate disciplinary action, which may include private or public admonition or censure, suspension, or disbarment of the attorney from the practice of law.

(5) Grants for Civil Legal Assistance.—The Director may award grants to, and enter into contracts with, voluntary agencies to carry out this section or section 462 of the Homeland Security Act of 2002 (6 U.S.C. 279).

(b) Reimbursement of State Expenses.—The Director may reimburse States for any expenses they incur in providing assistance to unaccompanied alien children who are served pursuant to this Act or section 462 of the Homeland Security Act of 2002 (6 U.S.C. 279).

(c) Confidentiality.—All information obtained by the Office relating to the immigration status of a person described in subparagraph (A), (B), and (C) of subsection (a)(1) shall remain confidential and may be used only for the purposes of determining such person’s qualifications under subsection (a)(1);

(d) Required Disclosure.—The Secretary of Health and Human Services or the Secretary of Homeland Security shall provide the information required for this section, and any other information derived from such furnished information, to—

(1) a duly recognized law enforcement entity in connection with an investigation or prosecution of an offense described in paragraph (2) or (3) of section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)), when such information is requested in writing by such entity; or

(2) an official coroner for purposes of affirming the identity of deceased individual (whether or not such individual is deceased as a result of a crime).

(e) Penalty.—Whoever knowingly uses, publishes, or permits information to be examined in violation of this section shall be fined not more than $10,000.

SEC. 103. APPROPRIATE CONDITIONS FOR DETENTION OF UNACCOMPANIED ALIEN CHILDREN.

(a) Standards for Placement.—

(1) Prohibition of Detention in Certain Facilities.—Except as provided in paragraph (2), an unaccompanied alien child shall not be placed in an adult detention facility or a facility housing delinquent children.

(2) Detention in Appropriate Facilities.—An unaccompanied alien child who has exhibited a violent or criminal behavior that endangers others may be detained in conditions appropriate to such behavior in a facility appropriate for delinquent children.

(b) Stipulated Settlement Agreement. —

(1) Statement of the nationalities, ages, and gender of such children; and

(2) appropriate standards for conditions of detention in such placements that provide for—

(i) educational services appropriate to the child;

(ii) medical care;

(iii) mental health care, including treatment of trauma, physical and sexual violence, or abuse;

(iv) access to telephones;

(v) access to legal services;

(vi) access to interpreters;

(vii) supervision by professionals trained in the care of children, taking into account the special cultural, linguistic, and experiential needs of children in immigration proceedings;

(viii) recreational programs and activities;

(ix) spiritual and religious needs; and

(x) privacy.

(3) Threshold of Reasonable Use.—Nothing in this section shall be construed to supersede procedures favoring release of children to appropriate adults or emergency or placement in the least secure setting possible, as defined in the Stipulated Settlement Agreement.

(c) Application of Certain Laws.—Nothing in this section shall affect the operation of the laws and procedures in which any dropped system or facility is operated.

(d) Enforcement.—The Director may take such actions as are necessary to enforce the conditions set forth in this section.

SEC. 104. REPARTITION OF UNACCOMPANIED ALIEN CHILDREN.

(a) Country Conditions.—

(1) Sense of Congress.—It is the sense of Congress that, to the extent consistent with the treaties and other international agreements to which the United States is a party, and to the extent practicable, the United States Government should undertake efforts to ensure that it does not repatriate children in its custody into settings that would threaten the life and safety of such children.

(b) Assessments of Conditions.—

(1) In General.—The annual Country Reports on Human Rights Practices published by the Department of State shall contain an assessment of the degree to which each country protects children from smugglers and traffickers.

(B) Factors for Assessment.—The Director shall consult the Country Reports on Human Rights Practices and the Trafficking in Persons Report in assessing whether to repatriate an unaccompanied alien child to a particular country.

(c) Reporting on Repatriation of Unaccompanied Alien Children.—

(1) In General.—Not later than 18 months after the date of enactment of this Act, and annually thereafter, the Secretary shall submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report on efforts to repatriate unaccompanied alien children.

(2) Contents.—The report submitted under paragraph (1) shall include—

(A) the number of unaccompanied alien children ordered removed and the number of such children actually removed from the United States;

(B) a description of the type of immigration relief sought and denied to such children;

(C) a statement of the nationalities, ages, and gender of such children; and

(D) a description of procedures used to effect the removal of such children from the United States.
SEC. 105. ESTABLISHING THE AGE OF AN UNACCOMPANIED ALIEN CHILD.

(a) PROCEDURES.

(1) IN GENERAL.—The Director shall develop procedures to make a prompt determination of the age of an alien in the custody of the Department of Homeland Security or the Office, when the age of the alien is at issue.

(2) EVIDENCE.—The procedures developed under paragraph (1) shall include—

(A) permit the presentation of multiple forms of evidence, including testimony of the child, to determine the age of the unaccompanied alien for purposes of placement, custody, parole, and detention; and

(B) allow the appeal of a determination to an immigration judge.

(3) ACCESS TO ALIEN.—The Secretary of Homeland Security shall permit the Office to have reasonable access to aliens in the custody of the Secretary so as to ensure a prompt determination of the age of such alien.

(b) PROHIBITION ON SOLE MEANS OF DETERMINING AGE.

(1) A child may not be placed in the custody of the Department of Homeland Security or the Office, when the age of the alien is at issue, solely on the basis of certain evidence or stipulation of counsel.

(2) The procedures developed under paragraph (1) shall—

(A) allow the guardian ad litem to ensure the child's best interest;

(B) require the guardian ad litem to consult with counsel or the child's legal guardian;

(C) require the guardian ad litem to ensure the child’s best interest and assess the child’s best interest;

(D) develop recommendations on issues relative to the child's custody, detention, release, and repatriation;

(E) take reasonable steps to ensure that the guardian ad litem is informed of all relevant information about the child, including information collected under subparagraph (B);

(F) report each finding related to the child's best interest and the procedures carried out during the period of the child's custody in the Office to the child's legal guardian and the child's custodian;

(G) ensure that the child's legal guardian and the child's custodian are informed of all steps taken by the Office to determine the child's age; and

(H) report each finding related to the child's best interest and the procedures carried out during the period of the child’s custody in the Office to the child’s legal guardian and the child’s custodian.

(c) MINING AGE.

(1) A child may not be placed in the custody of the Department of Homeland Security or the Office, when the age of the alien is at issue, solely on the basis of certain evidence or stipulation of counsel.

(2) The procedures developed under paragraph (1) shall—

(A) allow the guardian ad litem to ensure the child's best interest;

(B) require the guardian ad litem to consult with counsel or the child's legal guardian;

(C) require the guardian ad litem to ensure the child’s best interest and assess the child’s best interest;

(D) develop recommendations on issues relative to the child's custody, detention, release, and repatriation;

(E) take reasonable steps to ensure that the guardian ad litem is informed of all relevant information about the child, including information collected under subparagraph (B);

(F) report each finding related to the child's best interest and the procedures carried out during the period of the child's custody in the Office to the child's legal guardian and the child's custodian;

(G) ensure that the child's legal guardian and the child's custodian are informed of all steps taken by the Office to determine the child's age; and

(H) report each finding related to the child's best interest and the procedures carried out during the period of the child’s custody in the Office to the child’s legal guardian and the child’s custodian.

(d) TIME.

Not later than 180 days after the date of enactment of this Act, the Director shall submit a report on the achievement of the purposes described in paragraph (2) to the Committee on the Judiciary of the House of Representatives.

SEC. 202. COUNSEL.

(a) ACCESS TO COUNSEL.

(1) IN GENERAL.—The Director shall ensure that all unaccompanied alien children in the custody of the Office or the Director, who are not described in section 102(a)(1), have competent counsel to represent them in immigration proceedings or matters.

(2) PRO BONO REPRESENTATION.—To the maximum extent practicable, the Director shall make every effort to utilize the services of competent pro bono counsel who agree to provide representation to such children without charge.

(b) PRO BONO STIPULATION.—The Director shall develop the necessary mechanisms to identify and make available to pro bono counsel the legal assistance and representation and to recruit such entities.

(c) CONTRACTING AND GRANT MAKING AUTHORITY.

(1) IN GENERAL.—The Director shall enter into contracts with, or award grants to, non-profit agencies with relevant expertise in the delivery of immigration-related legal services to children in order to carry out the responsibilities of this Act, including providing legal orientation, screening cases for referral, recruiting, training, and overseeing pro bono attorneys.

(2) SUBCONTRACTING.—Non-profit agencies may enter into subcontracts with, or award grants to, private_verticals with relevant expertise in the delivery of immigration-related legal services to children in order to carry out this subsection.

(d) CONSIDERATIONS REGARDING GRANTS AND CONTRACTS.—In awarding grants and entering into contracts with agencies under this paragraph, the Director shall take into consideration the capacity of the agencies in questions to properly administer the services covered by such contracts or grants without an undue conflict of interest.

(e) MODEL GUIDELINES ON LEGAL REPRESENTATION OF CHILDREN.

(1) DEVELOPMENT OF GUIDELINES.—The Executive Office for Immigration Review, in consultation with voluntary agencies and national experts, shall develop model guidelines for the legal representation of alien children in immigration proceedings.

(2) PURPOSE.—The purpose of the program established under paragraph (1) is to—

(A) study and assess the benefits of providing legal representation to unaccompanied alien children in immigration proceedings; and

(B) develop recommendations on issues relative to the child’s custody, detention, release, and repatriation;

(C) develop recommendations on issues relative to the child's best interest and the procedures carried out during the period of the child's custody in the Office.
be designed to help protect each child from any individual suspected of involvement in any criminal, harmful, or exploitative activity associated with the smuggling or trafficking of children while ensuring the fairness of the removal proceeding in which the child is involved.

(C) IMPLEMENTATION.—The Executive Office for Immigration Review shall adopt the guidelines developed under subparagraph (A) and submit the guidelines for adoption by national, State, and local bar associations.

(b) Petition.—(1) represent the unaccompanied alien child in all proceedings and matters relating to the immigration status of the child or other immigration-related matters.

(2) appear in person for all individual merits hearings before the Executive Office for Immigration Review and interviews involving the Directorate; and

(c) ACCESS TO CHILD.—(1) In GENERAL.—Counsel shall have reasonable access to an unaccompanied alien child, including access while the child is being held in detention, in the care of a foster family, or in any other setting that has been determined by the Office.

(2) RESTRICTION ON TRANSFERS.—Absent compelling and unusual circumstances, no child who is represented by counsel shall be transferred from the child’s placement to another placement unless advance notice of at least 24 hours is made to counsel of such transfer.

(3) NOTICE TO COUNSEL DURING IMMIGRATION PROCEEDINGS.—(1) IN GENERAL.—Except when otherwise required in an emergency situation involving the child or the client who is an unaccompanied alien child, counsel shall be given prompt and adequate notice of all immigration matters affecting or involving an unaccompanied alien child, including adjudications, proceedings, and processing, before such actions are taken.

(2) OPPORTUNITY TO CONSULT WITH COUNSEL.—An unaccompanied alien child in the custody of the Office may not consent to any immigration action, including consenting to voluntary departure, unless first afforded an opportunity to consult with counsel.

(e) ACCESS TO RECOMMENDATIONS OF GUARDIAN AD LITEM.—Counsel shall be given an opportunity to review the recommendations of the guardian ad litem for an unaccompanied alien child, including contenting to voluntary departure, unless first afforded an opportunity to consult with counsel.

SEC. 203. EFFECTIVE DATE; APPLICABILITY.

(a) EFFECTIVE DATE.—This title shall take effect 180 days after the date of enactment of this Act.

(b) APPLICABILITY.—The provisions of this title shall apply to all unaccompanied alien children in Federal custody on, before, or after the effective date of this title.

TITLE III—STRENGTHENING POLICIES FOR PERMANENT PROTECTION OF ALIEN CHILDREN

SEC. 301. SPECIAL IMMIGRANT JUVENILE VISA.


"(J) an immigrant, who is 18 years of age or younger on the date of application and who is present in the United States;"

"(b) who by a court order, which shall be binding on the Secretary of Homeland Security for purposes of adjudications under this subparagraph, was declared dependent on a juvenile court located in the United States, due to abuse, neglect, abandonment, or a similar basis found on the basis of entry who have been victimized by smugglers or traffickers, and children for whom asylum or special immigrant relief may be appropriate, including children described in section 101(a)(2).

SEC. 302. REPORT.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary of Health and Human Services shall submit a report for the previous fiscal year to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives that contains—

(1) data related to the implementation of section 462 of the Homeland Security Act (6 U.S.C. 279);

(2) data regarding the care and placement of children in accordance with this Act;

(3) data regarding the provision of guardians ad litem and counsel services under this Act; and

(4) any other information that the Director or the Secretary of Health and Human Services determines to be appropriate.

SEC. 304. EFFECTIVE DATE.

The amendment made by section 301 shall apply to all aliens who were in the United States before, on, or after the date of enactment of this Act.

TITLE IV—CHILDREN REFUGEE AND ASYLUM SEEKERS

SEC. 401. GUIDELINES FOR CHILDREN’S ASYLUM CLAIMS.

(a) SENSE OF CONGRESS.—Congress commends the Immigration and Nationalization Service for its issuance of its “Guidelines for Interviewing Asylum Seekers,” dated December 1998, and encourages and supports the implementation of such guidelines by the Immigration and Naturalization Service (and its successor entities) in an effort to facilitate the handling of children’s asylum claims.

(b) TRAINING.—The Secretary shall provide periodic comprehensive training under the “Guidelines for Children’s Asylum Claims” to asylum officers, immigration judges, members of the Board of Immigration Appeals, and immigration officers who have contact with children in order to familiarize and sensitize such officers to the needs of children asylum seekers. Voluntary agencies shall be allowed to participate.

SEC. 402. UNACCOMPANIED REFUGEE CHILDREN.

(a) IDENTIFYING UNACCOMPANIED REFUGEE CHILDREN.—Section 207(e) of the Immigration and Nationality Act (8 U.S.C. 1157(e)) is amended—

(1) by redesignating paragraphs (3), (4), (5), (6), and (7) as paragraphs (4), (5), (6), (7), and (8), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) an analysis of the worldwide situation faced by unaccompanied refugee children, by region, which shall include an assessment of—

"(A) the number of unaccompanied refugee children, by region; and

"(B) the capacity of the Department of State to identify such refugees;"

"(C) the capacity of the international community to care for and protect such refugees;"

"(D) the capacity of the voluntary agency community to resettle such refugees in the United States;

"(E) the degree to which the United States plans to resettle such refugees in the United States in the coming fiscal year; and

"(F) the fate that will befall such unaccompanied refugee children for whom resettlement in the United States is not possible.

";"
needs of unaccompanied refugee children
and continued suitability of such placements;
and (B) shall not apply to an unaccompanied alien child subject to exceptions under paragraphs (A) or (2) of section 101(a), shall be placed in removal proceedings under section 240 of the Immigration and Nationality Act (8 U.S.C. 1225a), by the Director, except for an unaccompanied alien child apprehended at the end;

(E) APPLICABILITY.—Subparagraphs (A) and (B) shall not apply to an unaccompanied alien child as defined in section 101(a)(81).

TITLE V—AUTHORIZATION OF APPROPRIATIONS

SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated pursuant to subsection (a) such sums as may be necessary to carry out—

(1) the provisions of section 462 of the Homeland Security Act of 2002 (6 U.S.C. 276); and

(2) the provisions of this Act.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subsection (a) shall be available for the carry out—

(A) contract with service providers to perform the duties under paragraph (3), the Director is authorized to—

(i) strike any unaccompanied alien child to a similar facility that is in compliance with such section.

(ii) reassign any unaccompanied alien child to a similar facility that is in compliance with such section.

(iii) reassess any unaccompanied alien child to a similar facility that is in compliance with such section.

SEC. 602. TECHNICAL CORRECTIONS.

Section 422(b) of the Homeland Security Act of 2002 (6 U.S.C. 276(b)), as amended by section 601, is amended—

(1) in paragraph (3), by striking "paragraph (1)" and inserting "(1)" and

(2) by adding at the end the following:

(5) STATUTORY CONSTRUCTION.—Nothing in paragraph (2)(B) may be construed to require that a bond be posted for unaccompanied alien children who are released to a qualified sponsor.

SEC. 603. EFFECTIVE DATE.

The amendments made by this title shall take effect as of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.).

By Mrs. FEINSTEIN:

S. 120. A bill for the relief of Esidronio Arreola-Saucedo, Maria Elena Cobian Arreola, Nayely Bibiana Arreola, and Cindy Jael Arreola; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I offer today immigration reform legislation to provide lawful permanent residence status to Esidronio Arreola-Saucedo, Maria Elena Cobian Arreola, Nayely Bibiana Arreola and Cindy Jael Arreola, Mexican nationals living in the State of California. Mr. and Mrs. Arreola have lived in the United States for almost 20 years. Two of their five children, Nayely, age 18, and Cindy, age 16, also stand to benefit from this legislation. Their other three children, Daniel, age 9, and Saray, age 8, are United States citizens. Today, Mr. and Mrs. Arreola and their two eldest children face deportation.

The story of the Arreola family is compelling and I believe they merit Congress’s special consideration for such an extraordinary form of relief as a private bill.

The Arreolas are in this uncertain situation in part because of grievous errors committed by their previous counsel, who has since been disbarred. In fact, the attorney’s conduct was so egregious that it compelled an immigration judge to write the Executive Office of Immigration Review seeking his disbarment for the detriment he caused his immigration clients. Mr. Arreola has lived in the United States since 1986. He was an agricultural migrant worker in the fields of California for several years, and as a result he was eligible for permanent residence through the Seasonal Agricultural Workers, SAW, program he had known about it.

Mrs. Arreola was living in the United States at the time she became pregnant with her daughter Cindy, but returned to Mexico to give birth so as to avoid any problems with the Immigration and Naturalization Service. Given the length of time that the Arreolas had, and have been, in the United States it is quite likely that they would have qualified for relief from deportation pursuant to the cancellation of removal provisions of the Immigration and Nationality Act, but for the conduct of their previous attorney.

Perhaps one of the most compelling reasons for permitting the family to remain in the United States is the devastating impact their deportation would have on their children—three of whom are U.S. citizens, as I stated earlier, and the other two who have lived in the United States since they were toddlers. For these children, this country is the only country they really know.

Nayely, the oldest, is a freshman at Fresno Pacific University. She was the first in her family to graduate from high school and the first to attend college. She attends Fresno Pacific University, a regionally ranked university, on a full tuition scholarship package and works part-time in the admissions office.

At her young age, Nayely has demonstrated a strong commitment to the ideals of citizenship in her adopted country. She has worked hard to achieve her full potential both in her academic endeavors and through the service she provides her community. As an Associate for Management Services, Cary Templeton, at Fresno Pacific University states in a letter of support, “[t]he leaders of Fresno Pacific University saw in Nayely, a young person who will become exemplary of all that is good in the American dream.”

In high school, Nayely was a member of Advancement Via Individual Determination, AVID, a college preparatory program in which students are committed to determining their own futures through achieving a college degree. Nayely was also president of the Key Club, a community service organization. She helped mentor freshmen and participants in several other student organizations in her school. Perhaps the greatest hardship to this family, if forced to return to Mexico, will be her lost opportunity to realize her dreams and further contribute to her community and to this country.

It is clear to me that Nayely feels a strong sense of responsibility for her community and country. By all indications, this is the case as well for all of the members of her family.

The Arreolas also have other family who are lawful permanent residents of this country or United States citizens. Mrs. Arreola has three brothers who are U.S. citizens and Mr. Arreola has a U.S. citizen who is a U.S. citizen. It is also my understanding that they have no immediate family in Mexico.

According to immigration authorities, this family has never had any problems with law enforcement. I am confident that they have filed taxes every year from 1990 to the present. They have always worked hard to support themselves. As I previously mentioned, Mr. Arreola was previously employed as a farm worker, but now has his own business repairing electronics. His business has been successful enough to enable him to purchase a home for his family.
It seems so clear to me that this family has embraced the American dream and their continued presence in our country would do so much to enhance the values we hold dear. Enactment of the legislation I have introduced today will enable the Arreolas to continue to make significant contributions to their community as well as the United States. I ask my colleagues to support this private bill. I also ask unanimous consent that the text of the legislation be printed in the RECORD and that three letters of community support be printed in the RECORD.

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

S. 120

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

SECTION 1. ADJUSTMENT OF STATUS.

(a) In General.—Notwithstanding any other provision of law or any order for, or in lieu of, the purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Esidronio Arreola-Saucedo, Maria Elena Cobian Arreola, Nayely Bibiana Arreola, Cindy Jael Arreola, the Secretary of State shall be deemed to have been lawfully admitted to, and remained in, the United States, and shall be eligible for issuance of an immigrant visa or for adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1255).

(b) APPLICATION AND PAYMENT OF FEES.—Subsection (a) shall apply only if the applications for issuance of immigrant visas or the applications for adjustment of status are filed with appropriate fees within 2 years after the enactment of this Act.

(c) REDUCTION OF IMMIGRANT VISA NUMBERS.—Upon the granting of immigrant visas to Esidronio Arreola-Saucedo, Maria Elena Cobian Arreola, Nayely Bibiana Arreola, and Cindy Jael Arreola, the Alien and Migration Policy Act of 1996 shall be reduced by the number of immigrant visas that are made available to natives of the country of the aliens' birth under section 202(e) or 203(a) of the Immigration and Nationality Act (8 U.S.C. 1152(e), 1153(a)), as applicable.

FRESNO PACIFIC UNIVERSITY.

HON. DIANNE FEINSTEIN, Senator, Washington, DC.

Dear Senator Feinstein: I am writing to ask you to continue your support for the Arreola family of Porterville, CA, and to ask you to reintroduce a private bill to grant the family permanent residency. It is laudable that you came to this families aid in May 2003 because of grievous errors committed by their former immigration attorney. You recognized the outstanding academic achievements of Nayely, Esidronio and Maria Arreola’s oldest daughter, as one of the most compelling reasons to allow the family to remain in the United States. You recognized that the ‘‘Arreola family had and continues to embrace the American dream and that their continued presence in our country would enhance the values that we as Americans hold dear.’’ Unfortunately the private bill you introduced into law and the family is in need of your support again.

You were right about Nayely!!! Nayely Arreola, the oldest daughter, has continued in her academic achievements and community service. The leaders at Fresno Pacific University saw in Nayely, a young person who will become exemplary of all that is good in the American dream. She has heart in the face of tough times, desire leading to solid community service, and leadership that is with out end. Nayely has become a role model of success and hope that is so important to many young Hispanic students in Central California. She worked for four years in the workstudy program and recently worked for an organization that speaks to young people about the importance of a college education. Fresno Pacific was so impressed with her high school achievements that we offered her a full scholarship. She is an excellent student and her continued presence in our country would be in your debt as you to continue your support for the Arreola family.

Sincerely,
CARY W. TEMPLETON, Associate Dean of Enrollment Services.

GRANITE HILLS HIGH SCHOOL.

Mr. President, we have all heard the saying, ‘‘if the military wanted you to have a family, they would have issued you one at boot camp.”” But, the truth today is that more than 50% of America’s men and women in uniform are single and about 40% of the families also have children. These families supply endless support for our service men and women in life and I believe we need to provide them that same support in the event of the death of the service member while serving on active duty. What is wrong with all of our colleagues Senators DURBIN, ALLEN, HAGEL, COLEMAN, JOHNSON, OBAMA, and LEAHY: S. 121. A bill to amend titles 10 and 38, United States Code, to improve the benefits provided by law to deceased members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

Mr. DEWINE, Mr. President, I rise today to honor the many families of our Nation’s servicemen and women. We owe them a tremendous debt of gratitude for the services they have performed in supporting their family members in uniform. These families embody courage, patriotism, and dedication.

Mr. President, we have all heard the saying, ‘‘if the military wanted you to have a family, they would have issued you one at boot camp.”” But, the truth today is that more than 50% of America’s men and women in uniform are single and about 40% of the families also have children. These families supply endless support for our service men and women in life and I believe we need to provide them that same support in the event of the death of the service member while serving on active duty. What is wrong with all of our colleagues Senators DURBIN, ALLEN, HAGEL, COLEMAN, JOHNSON, OBAMA, and LEAHY: in introducing legislation today

By Mr. DEWINE (for himself, Mr. DURBIN, Mr. ALLEN, Mr. HAGEL, Mr. COLEMAN, Mr. JOHNSON, Mr. OBAMA, and Mr. LEAHY):
to improve critical survivor benefits for those families who have lost a loved one on active duty.

Our legislation would amend four key benefit programs to improve the overall quality of life for survivors and dependent children. First, it would increase the death gratuity to $100,000 and create a death gratuity for each child under the age of 18 in the amount of $25,000. Currently, the gratuity for spouses is just $12,000, while no benefit exists for dependent children. This change would provide flexibility for the spouse in maintaining a home, paying off remaining debt, and providing immediate funds to transition the family to a life without the service member. Additionally, the dependent benefit would offer surviving children an initial investment that can be used to transition to adulthood, for example, as a down payment on a house or for college tuition.

Second, our legislation would extend military health insurance, known as TRICARE Prime, to every dependent child of a deceased service member at no cost until the age of 21, or until 23 if the dependent attends college. The Department of Defense indicated that this benefit would have dependents approximately $15,000 per year compared to the cost of private health insurance premiums. Expanded TRICARE coverage also guarantees that surviving dependents would continue to have access to some of the best doctors this country has to offer and would receive adequate health care and treatment.

Third, our legislation would increase the dependency and indemnity compensation, or DIC, for a spouse to $1500 per month, as well as $750 per month for each child. In July 2004, the Government Accountability Office released a report titled “Military Personnel: Survivor Benefits for Service members and Federal, State, and City Employees.” This report outlined hypothetical situations to demonstrate the benefits received at certain pay grades. This report indicated that average across the United States, families spent between $9,500 and $10,500 per child on expenses in a two child, husband-wife family. Further, this study indicated that families with a household income below $47,000 per year were only able to spend from $7000 to $8000 per year on expenses to raise a child. For the hypothetical family I just described, it would cost more than $18,000 per year just to meet the expenses of raising the two dependents.

However, since the household income, if the surviving spouse is not employed, would reach just $28,800, then it is likely that only about $14,000 will be spent for that purpose. Clearly, that’s just not enough. Our bill would help ensure that the essential needs of the family can be met.

Finally, our legislation would increase the benefits available from the Survivors’ and Dependents’ Educational Assistance Program. It would eliminate the current 45 month cap on benefits payments and establish an $80,000 lump sum that can be drawn down for any educational expenses, including tuition, fees, room, board, and books. Under current law, a survivor only has access to about $38,867 if he/she attends college or a trade school on a full-time basis. As we know, this amount would not even guarantee a survivor access to a college degree from a state university. In fact, let’s use the Ohio State University as an example. This public institution will cost in-state students only $18,600 for the 2004-2005 school year. Now, if there were no cost increases over the course of a four year matriculation, which, in this day and age, is an unrealistic assumption, a degree from OSU would cost $75,600. That is $36,723 more than the current benefit available from the Department of Veterans Affairs. Clearly a gap exists.

Mr. President, we owe the families of those who have lost loved ones in active duty our gratitude and support. The President’s Inauguration last week reminded me of something President Abraham Lincoln said in his second inaugural address. He said this: ‘With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation’s wounds, to care for him who shall have borne the battle and for his widow and his orphan. . . .’ It is time to do a better job of caring for these families and care that this Congress does what is right. I ask my colleagues to stand with me in support for these families and do our part, as they have done theirs.

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. 121

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

SECTION 1. DEATH GRATUITIES PAYABLE WITH RESPECT TO DECEASED MEMBERS OF THE UNIFORMED SERVICES WHO DIE WHILE SERVING ON ACTIVE DUTY FOR A PERIOD OF MORE THAN 20 YEARS.

(a) PERIOD OF ELIGIBILITY.—Section 1079(g) of title 10, United States Code, is amended—

(1) by inserting “(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect as of October 1, 2001, and shall apply with respect to deaths occurring on or after such date.”

(2) by striking the second sentence and inserting the following:

“(2) In addition to any continuation of eligibility for benefits under subsection (l) of this section, in the case of a child of the deceased who, at 21 years of age, in the case of a child of the deceased who, at 21 years of age, is enrolled in a full-time course of study in a secondary school or in a public four-year college or university, the surviving spouse of the deceased member shall continue to be eligible for benefits during the three-year period beginning on the date of the member’s death, except that, in the case of such a dependent who is a child of the deceased, the period of continued eligibility shall be extended by two years if the dependent is enrolled in a four-year college or university on the date of the member’s death.”

(b) AMOUNT.—Section 1477(d) of title 10, United States Code, is amended by striking “he receives the death gratuity,” and inserting “or his representative receives payment of a death gratuity under section 1475 or 1476 of this title.”

(c) EFFECTIVE DATE.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect as of October 1, 2001, and shall apply with respect to deaths occurring on or after such date.

(2) EXCEPTION.—The amendments made by subsection (b)(2)(B) shall take effect as of October 28, 2004, immediately following the enactment of Public Law 108-375.

SEC. 2. INCREASED PERIOD OF CONTINUED TRICARE COVERAGE OF CHILDREN OF MEMBERS OF THE UNIFORMED SERVICES WHO DIE WHILE SERVING ON ACTIVE DUTY FOR A PERIOD OF MORE THAN 20 YEARS.

(a) AMOUNT.—Section 1477(d) of title 10, United States Code, is amended—

(1) by striking “he receives the death gratuity,” and inserting “or his representative receives payment of a death gratuity under section 1475 or 1476 of this title.”

(b) AMOUNT.—Section 1477(d) of title 10, United States Code, is amended by striking “he receives the death gratuity,” and inserting “or his representative receives payment of a death gratuity under section 1475 or 1476 of this title.”

(c) EFFECTIVE DATE.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect as of October 1, 2001, and shall apply with respect to deaths occurring on or after such date.

(2) EXCEPTION.—The amendments made by subsection (b)(2)(B) shall take effect as of October 28, 2004, immediately following the enactment of Public Law 108-375.
“(3) For the purposes of paragraph (2)(C), a child shall be treated as being enrolled in a full-time course of study in an institution of higher education during any reasonable period of time during which the child is enrolled in the completion of a full-time course of study in a secondary school and the commencement of an enrollment in a full-time course of study in an institution of higher education, determined by the administering Secretary.

“(4) No charge may be imposed for any benefit provided under this chapter for a child who, before attaining the age of 18, becomes entitled to any benefit provided to such child during such period under that chapter.”

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect as of October 1, 2001, and shall apply with respect to deaths occurring on or after such date.

SEC. 3. INCREASE AND ENHANCEMENT OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

(a) In General.—Subsection (a) of section 3511 of title 38, United States Code, is amended—

(1) in paragraph (1), by striking “$967” and inserting “$1,500”;

(2) in paragraph (2), by inserting “or (4)” after “(1)”; and

(3) by adding at the end the following new paragraph:

“(4) In the case of a surviving spouse who remarries, dependency and indemnity compensation paid to the surviving spouse at a monthly rate equal to 50 percent of the monthly rate otherwise provided under paragraph (1) for—

(A) the first 60 months beginning after the date of such marriage; or

(B) in the case of a surviving spouse with one or more children below the age of 18, each month until the first month beginning after the month in which each such child has attained the age of 18.”

(b) RATES FOR SURVIVING SPOUSES WITHDEPENDENT CHILDREN.—Such section is further amended—

(1) by striking subsection (b) and inserting the following new subsection (b):

“(b) A course of special restorative training—

(1) in paragraph (1), by adding “or (4)” after “(2)”; and

(2) by redesignating paragraph (3) as paragraph (2).”

(2) Section 3541 of such title is amended to read as follows:

“§ 3541. Special restorative training

(a) The Secretary may, at the request of an eligible person—

(1) determine whether such person is in need of special restorative training; and

(2) if such need is found to exist, prescribe a course which is suitable to accomplish the purposes of this chapter.

(b) A course of special restorative training under subsection (a) may, at the discretion of the Secretary, contain elements that would contribute toward an ultimate objective of a program of education.”

(c) Section 3659(a)(4) of such title is amended by striking “35”.

(d) In subsection (b), Enrolling Age of Eligibility for Dependents.—Section 3512(a) of title 38, United States Code, is amended by striking “sixty-sixth birthday” and inserting “thirty-first birthday”.

(e) AMOUNT OF EDUCATIONAL ASSISTANCE.—(1) IN GENERAL.—Section 3532 of title 38, United States Code, is amended to read as follows:

“§ 3532. Amount of educational assistance

(a) The aggregate amount of educational assistance to which an eligible person is entitled under this chapter is $20,000, as increased from time to time under section 3654 of this title.

(b) Within the aggregate amount provided for in subsection (a), educational assistance under this chapter may be paid for any purpose, and in any amount, as follows:

(1) A program of education consisting of institutional and non-institutional assistance in the form of stipends.

(2) A full-time program of education that consists of institutional courses and alternate phases of training in a business or institutional establishment being specifically supplemental to the institutional portion.

(3) A cooperative program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months that is pursued by an eligible person who is concurrently engaged in agricultural employment which is relevant to such individual’s agricultural courses as determined under standards prescribed by the Secretary.

(3) A program of apprenticeship or other on-job training provided a State as provided in section 3589(a) of this title.

(4) A program of education exclusively by correspondence as provided in section 3652 of this title.

(5) A program of educational assistance for special restorative training as provided in section 3492 of this title.

(6) If a program of education is pursued by an eligible person at an institution located in the Republic of the Philippines, any educational assistance for such person under this chapter shall be paid at the rate of $0.50 for each dollar.

(d) (d)(1) Subject to paragraph (2), the amount of educational assistance payable under this for a certification test described in section 3560(a)(5) of this title is the lesser of $2,000 or the fee charged for the test.

(2) In no event shall payment of educational assistance under this subsection for such test exceed the amount of the individual’s available entitlement under this chapter.

(2) CONFORMING AMENDMENTS.—(A) Section 3542 of such title is amended to read as follows:

“§ 3542. Tuition assistance

An eligible person shall, without any charge to any entitlement of such person to educational assistance under section 3522(a) of this title be entitled to have paid any educational assistance provided an eligible veteran under section 3492 of this title.”

(B) Section 3594 of such title is repealed.

(C) Section 3542 of such title is amended—

(i) in subsection (a), by striking “computed at the basic rate” and all that follows through the end of the subsection and inserting “a period; and

(ii) in subsection (b), by striking “an educational assistance allowance” and inserting “educational assistance”.

(D) Section 3549(c) of such title is amended—

(1) in paragraph (1), by adding “and” at the end;

(2) by striking paragraph (2); and

(iii) by redesignating paragraph (3) as paragraph (2).

(E) Section 3564 of such title is amended by striking “rates payable under sections 3532, 3534(b), and 3542(a)” and inserting “aggregate amount of educational assistance payable under section 3532”.

(F) In paragraph (1) of section 3566 of such title is amended to read as follows:

“(1) educational assistance payable under section 3532 of this title, including the special education assistance allowance referred to in subsection (b)(7) of such section, shall be paid at the rate of $0.50 for each dollar; and

(G) Section 3667 of such title is amended—

(1) in subsection (a),

(i) in the matter preceding paragraph (1), by striking “or an eligible person (as defined in section 3560(a)(1) of this title)”;

(ii) in the flush text of the following paragraph (2), by striking “chapters 34 and 35” and inserting “chapter 34”;

(ii) in subsection (c), by striking “chapters 34 and 35” and inserting “chapter 34”;

(iii) in subsection (e), as added by section 102(a) of the Veterans Earn and Learn Act of
Mr. FEINGOLD. Mr. President, today I introduce the Federal Death Penalty Abolition Act of 2005. This bill would abolish the death penalty at the Federal level. It would put an immediate halt to executions and forbid the imposition of the death penalty as a sentence for violations of Federal law.

Since 1976, when the death penalty was reinstated by the Supreme Court, there have been almost 1,000 executions across the country, including three at the Federal level. At the same time, and despite the fact that further study. The Federal Government must do all that it can to ensure that no person is ever subject to harsher penalties because of the color of the defendant’s skin.

I am certain that not one of my colleagues here in the Senate, not a single one, would defend racial discrimination in this ultimate punishment. The most fundamental guarantee of our Constitution is equal justice under law, and equal protection of the laws. Yet we have a system in place today that raises grave questions about whether that guarantee is being met.

While the Federal death penalty system is clearly plagued by flaws, there are States across the country that also authorize the use of capital punishment. And like the Federal system, those systems are not free from error.

Five years ago, Governor George Ryan took the historic step of placing a moratorium on executions in Illinois and creating an independent, blue ribbon commission to review the State’s death penalty system. The Commission conducted an extensive study of the death penalty in Illinois and released a report with 85 recommendations for reform of the death penalty system. The Commission concluded that the death penalty system is not fair, and that the risk of executing the innocent is alarmingly real. Governor Ryan later commuted the sentences of all remaining Illinois death row inmates to life in prison before he left office in January 2003:

Illinois is not alone. Four years ago, then Governor Parris Glendening learned of suspected racial disparities in the administration of the death penalty in Maryland. Governor Glendening did not look the other way. He commissioned the University of Maryland to conduct the most exhaustive study of the death penalty in history. Then faced with the rapid approach of a scheduled execution, Governor Glendening acknowledged that it was unacceptable to allow executions to take place while the study he had ordered was not yet complete. So, in May 2002, he placed a moratorium on executions. Unfortunately, Governor Bob Ehrlich later lifted that moratorium and executions have resumed in Maryland.

A survey on the Federal death penalty in 2003:

To relate to the color of the defendant’s skin. Where the defendant is overwhelmingly black, the case law shows troubling racial and geographic disparities in the Federal Government’s administration of the death penalty. In other words, who lives and who dies in the Federal system appears to relate to the color of the defendant’s skin. In the region of the country where the defendant is overwhelmingly white, Attorney General Janet Reno was so disturbed by the results of that report that she ordered a further, in-depth study of the results. Attorney General John Ashcroft pledged to continue that study, and we still await the results of that further study. The Federal Government must do all that it can to ensure that no person is ever subject to harsher penalties because of the color of the defendant’s skin.

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The Maryland study was released in January 2003, and the findings should startle us all. The study found that black defendants are more likely to face trial and execution; more likely to put people to death for killing white victims than for killing black victims.

After the death penalty was reinstated in 1976, the Federal Government first resumed death penalty prosecutions after enactment of a 1988 Federal law that provided for the death penalty for murder in the course of a drug-kingpin conspiracy. The Federal death penalty was then expressed significantly in 1994, when the omnibus crime bill allowed its use to apply to a total of some 60 Federal offenses. Since 1994, Federal prosecutions seeking the death penalty have now accelerated.

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simply more likely to receive a death sentence than blacks who kill blacks, or than white killers. According to the report, black offenders who kill whites are four times as likely to be sentenced to death as blacks who kill blacks, and twice as likely to get a death sentence as whites who kill whites.

Maryland and Illinois are not exceptions to a rule, nor anomalies in an otherwise perfect system. In fact, since reinstallation of the modern death penalty, innumerable judges and juries across the country have involved white victims, even though only 50 percent of murder victims are white. Nationwide, more than half of the death row inmates are African Americans or Hispanic Americans.

There is evidence of racial disparities, inadequate counsel, prosecutorial misconduct, and false scientific evidence in death penalty systems across the country. While the research done in Maryland and Illinois has yielded shocking results, there are 36 other States that authorize the use of the death penalty, most of them far more frequently. Twenty of the 38 States that authorize capital punishment have executed more inmates than Maryland, and 14 of those States have carried out more executions than Illinois. So while we are closer to uncovering the unthinkable truth about the flaws in the Maryland and Illinois death penalty systems, there are 36 other systems that are most likely plagued with the same flaws. And yet, the killing continues.

At the beginning of 2005, I cannot help but believe that our progress has been tarnished by our Nation’s not only continuing, but increasing use of the death penalty. We are a Nation that prides itself on the fundamental principles of justice, liberty, equality and due process. We are a Nation that scrutinizes the human rights records of other nations. Historically, we are one of the first nations to speak out against torture and killings by foreign governments. We should hold our own system of justice to the highest standard.

Over the last few years, some prominent voices in our country have done just that. And they are not just voices of liberals, or of the faith community. They are the voices of Justice Sandra Day O’Connor, Reverend Pat Robertson, former FBI Director William Sessions, Republican Governor George Ryan, and Democratic Governor Parris Glendening. The voices of those questioning our application of the death penalty are growing in number, and they are growing louder.

And while we examine the flaws in our death penalty system, we cannot help but note that our use of the death penalty stands in stark contrast to the majority of nations, which have abolished the death penalty in law or practice. Today, 117 countries that have abolished the death penalty in law or in practice. The European Union denies membership in the alliance to those nations that use the death penalty. In fact, it passed a resolution calling for the immediate and unconditional global abolition of the death penalty, and it specifically called on all States within the United States to abolish the death penalty. This is significant because it reflects the unanimous view of a group of nations with which the United States enjoys the closest of relationships and shares the deepest common values.

One of the most troubling in the international context is that the United States is now one of only five countries that imposes the death penalty for crimes committed by juveniles. So, while a May 2002 Gallup poll found that 89 percent of Americans oppose the death penalty for those under the age of 18, we are one of only five nations on this earth that puts to death people who were under 18 years of age when they committed their crimes. The others are Iran, the Democratic Republic of the Congo, Nigeria, and Saudi Arabia. In the last decade, the United States has executed more juvenile offenders than all other nations combined.

These are countries that we often criticize for human rights abuses. We should remove any basis for charges that human rights violations are taking place on our own soil by halting the execution of people who were not even adults when they committed the crimes that made them sentenced to die. No one can reasonably argue that executing child offenders is a normal or acceptable practice in the world community. And I do not think that we should be proud that the United States is the world leader in the execution of child offenders.

As we begin a new year and another Congress, our society is still far from fully just. The continued use of the death penalty shames us. The penalty no longer serves the respect of our own people and the world. It is wrong and it is immoral. The adage “two wrongs do not make a right,” applies here in the most fundamental way. Our Nation has long ago done away with other barbaric punishments like whipping and cutting off the ears of criminals. Just as our Nation did away with these punishments as contrary to our humanity and ideals, it is time to abolish the death penalty as we seek justice in this new century. And it is not just a matter of morality. The continuing validity of our justice system as a truly just system that deserves the respect of our own people and the world requires that we do so. Our Nation’s striving to remain the leading defender of freedom, liberty and equality demands that we do so.

Abolishing the death penalty will not be an easy task. It will take patience, persistence, and courage. As we work to move forward in a rapidly changing world, let us leave this archaic practice behind.

I ask my colleagues to join me in taking the first step in abolishing the death penalty in our great Nation. I also call on each State that authorizes the use of the death penalty to cease this practice. Let us step away from the culture of violence and restore fairness and integrity to our criminal justice system.

I ask unanimous consent that the text of the bill be printed in the RECORD. There being no objection, the bill was ordered to be printed in the RECORD, as follows:

SECTION 1. SHORT TITLE.
This Act may be cited as the “Federal Death Penalty Abolition Act of 2005.”

SEC. 2. REPEAL OF FEDERAL LAWS PROVIDING FOR THE DEATH PENALTY.
(a) HOMICIDE-RELATED OFFENSES.—
(2) DESTRUCTION OF AIRCRAFT, MOTOR VEHICLES, OR RELATED FACILITIES RESULTING IN DEATH.—Section 31 of title 18, United States Code, is amended by striking “to the death penalty or”.
(3) MURDER COMMITTED DURING A DRUG-RELATED DRIVE-BY SHOOTING.—Section 36(b)(2)(A) of title 18, United States Code, is amended by striking “death or”.
(4) MURDER COMMITTED AT AN AIRPORT SERVING INTERNATIONAL CIVIL AVIATION.—Section 37(a) of title 18, United States Code, is amended in the following paragraph (2), by striking “punished by death”.
(5) CIVIL RIGHTS OFFENSES RESULTING IN DEATH.—Chapter 13 of title 18, United States Code, is amended—
(A) in section 241, by striking “or, may be sentenced to death”;
(B) in section 242, by striking “or, may be sentenced to death”;
(C) in section 245(b), by striking “, or may be sentenced to death”;
(D) in section 245(c), by striking “, or may be sentenced to death”;
(E) in section 246, by striking “, or may be sentenced to death”;
(F) in section 521, by striking “death or”;
(G) in section 522, by striking “death or”;
(H) in section 771, by striking “death or”;
(I) in section 812, by striking “death or”;
(J) in section 924, by striking “death or”;
(K) in section 1111, by striking “or death or”;
(L) in section 1118, by striking “or death or”.

SEC. 3. ABOLITION OF THE DEATH PENALTY.
This section is effective as of the date of the enactment of this Act.

CONGRESSIONAL RECORD — SENATE January 24, 2005
January 24, 2005

CONGRESSIONAL RECORD — SENATE

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(11) MURDER BY A FEDERAL PRISONER.—Section 1118 of title 18, United States Code, is amended—
(A) in subsection (a), by striking “by death or”;
and
(B) in subsection (b), in the third undesignated paragraph—
(i) by inserting “or” before “an indetermin- ate";
and
(ii) by striking “, or an unexecuted sen-
tence of death”.

(12) MURDER OF A STATE OR LOCAL LAW EN-
FORCEMENT OFFICER OR OTHER PERSON AIDING IN A FEDERAL INVESTIGATION; MURDER OF A STATE CORRECTIONAL OFFICER.—Section 1121 of title 18, United States Code, is amended—
(A) in subsection (a), by striking “by sen-
tence of death”; and
(B) in subsection (b)(1), by striking “or death”.

(13) MURDER DURING A KIDNAPPING.—Section 1201(a) of title 18, United States Code, is amended by striking “death or”.

(14) MURDER DURING A HOSTAGE-TAKING.—Section 1203(a) of title 18, United States Code, is amended by striking “death or”.

(15) MURDER WITH THE INTENT OF PREVEN-
TING TESTIMONY BY A WITNESS, VICTIM, OR INFORMANT.—Section 1512(a)(2)(A) of title 18, United States Code, is amended by striking “the death penalty or”.

(16) MAURING OUTSTANDING ARTICLES WITH INTENT TO KILL OR RESULTING IN DEATH.—Section 1718(i) of title 18, United States Code, is amended by striking “to the death penalty or”.

(17) ASSASSINATION OR KIDNAPPING RESULT-
ING IN THE DEATH OF THE PRESIDENT OR VICE PRESIDENT.—Section 1511 of title 18, United States Code, is amended by striking “death or”.

(18) MURDER FOR HIRE.—Section 1958(a) of title 18, United States Code, is amended by striking “death or”.

(19) MURDER INVOLVED IN A RACKETEERING OFFENSE.—Section 1959(a)(1) of title 18, United States Code, is amended by striking “death or”.

(20) WILLFUL WRECKING OF A TRAIN RESULT-
ING IN DEATH.—Section 1992(b) of title 18, United States Code, is amended by striking “to the death penalty or”.

(21) BANK ROBBERY-RELATED MURDER OR KIDNAPPING.—Section 2113(e) of title 18, United States Code, is amended by striking “to death or”.

(22) MURDER RELATED TO A CARJACKING.—Section 2119(d) of title 18, United States Code, is amended by striking “death or”.

(23) MURDER RELATED TO AGGRAVATED CHILD SEXUAL ABUSE.—Section 2241(c) of title 18, United States Code, is amended by striking “death or”.

(24) MURDER RELATED TO SEXUAL EXPLO-
TION OF CHILDREN.—Section 2245 of title 18, United States Code, is amended by striking “death or”.

(25) MURDER RELATED TO SEXUAL ABUSE.—Section 2246 of title 18, United States Code, is amended by striking “death or”.

(26) MURDER COMMITTED DURING AN OFFENSE AGAINST MARITIME NAVIGATION.—Section 2294(a)(1) of title 18, United States Code, is amended by striking “death or”.

(27) MURDER COMMITTED DURING AN OFFENSE AGAINST A MARITIME FIXED PLATFORM.—Section 2298(a)(1) of title 18, United States Code, is amended by striking “death or”.

(28) TERRORIST MURDER OF A UNITED STATES NA-
TIONAL.—Section 2332(a)(1) of title 18, United States Code, is amended by striking “death or”.

(29) MURDER BY THE USE OF A WEAPON OF MASS DESTRUCTION.—Section 2332a of title 18, United States Code, is amended—
(A) in subsection (a), by striking “punished by death or”;
(B) in subsection (b), by striking “by death or”.

(30) MURDER BY ACT OF TERRORISM TRAN-
SCENDING NATIONAL BOUNDARIES.—Section 2332b(h)(1)(A) of title 18, United States Code, is amended by striking “by death or”.

(31) MURDER INVOLVING TORTURE.—Section 2399(a)(1) of title 18, United States Code, is amended by striking “punished by death or”.

(32) MURDER RELATED TO A CONTINUING CRIMINAL ENTERPRISE OR RELATED MURDER OF A FEDERAL, STATE, OR LOCAL LAW ENFORC-
MENT OFFICER.—Section 406 of the Controlled Substances Act (21 U.S.C. 846) is amended—
(A) in each of subparagraphs (A) and (B) of subsection (e)(1), by striking “, or may be sentenced to death”;
(B) by striking subsections (g) and (h) and inserting the following:
(‘‘(g) [Reserved].’’)
(C) in subsection (i), by striking “and to appropriate
ting in case of imposing a sen-
tence of death”;
(D) in subsection (k), by striking “, other" death," and all that follows before the period and inserting “authorized by law”;
and
(E) by striking subsections (l) and (m) and inserting the following:
‘‘(l) [Reserved].’’
‘‘(m) [Reserved].’’

(33) DEATH RESULTING FROM AIRCRAFT HI-
JACKING.—Section 46502 of title 49, United States Code, is amended—
(A) in subsection (a)(2), by striking “put to death or”;
and
(B) in subsection (b)(1)(B), by striking “put to death or”.

(34) NON-HOMICIDE RELATED OFFENSES.—
(1) ESPIONAGE.—Section 794(a) of title 18, United States Code, is amended by striking “punished by death or” and all that follows before the period and inserting “imprisoned for any term of years or for ‘‘(m) [Reserved].’’

(2) TREASON.—Section 2381 of title 18, United States Code, is amended by striking “shall suffer death or”.

(3) REPEAL OF CRIMINAL PROCEDURES REL-
ATING TO IMPOSITION OF DEATH SENTENCE.—
(1) IN GENERAL.—(A) MURDER DURING A KIDNAP-
ing.—Section 2031 of title 18, United States Code, is repealed.

(2) TECHNICAL AND CONFORMING AMEND-
MENT.—The table of chapters for part II of title 18, United States Code, is amended by striking the item relating to chapter 229.

SEC. 3. PROHIBITION ON IMPOSITION OF DEATH
SENTENCE.

(a) IN GENERAL.—Notwithstanding any other provision of law, no person may be sen-
tenced to death or put to death or after the date of enactment of this Act for any violation of Federal law.

(b) PRESERVATION BEFORE DATE OF ENACT-
MENT.—Notwithstanding any other provision of law, any person sentenced to death before the date of enactment of this Act for any violation of Federal law shall serve a sentence of life imprisonment with-2
out the possibility of parole.

By Mr. FEINGOLD:

S. 123. A bill to amend part D of title XVIII of the Social Security Act to provide for negotiation of fair prices for Medicare prescription drugs; to the Committee on Finance.

Mr. FEINGOLD. Mr. President, today I am introducing a bill that will fix one of the fundamental flaws of the Medicare prescription drug benefit signed into law last Congress. The “Efficiency in Government Health Care Spending Act” will remove language included in the Medicare Modernization Act that prohibits the Medicare program from negotiating prescription drug prices with manufacturers. I believe that the Medicare program can use the best tools the Federal Government can use in bringing down prescription drug prices by denying the government the ability to negotiate price discounts on behalf of Medicare beneficiaries.

My bill will allow the Federal Government to take advantage of the purchasing power of the Medicare program, saving taxpayers’ dollars while reducing the costs of prescription drugs for Medicare beneficiaries. We need to act now to fix the flaws included in the Medicare prescription drug benefit, before the benefit begins next year.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 123

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembl 

SECTION 1. SHORT TITLE.

This Act may be cited as the “Efficiency in Government Health Care Spending Act”.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Prohibiting the Federal Government from negotiating prescription drug prices with manufacturers fails to take advantage of the purchasing power of the Medicare program.

(2) Negotiating prescription drug prices can reduce the costs of prescription drugs for both the Medicare program and taxpayers.

SEC. 3. SENSE OF THE SENATE REGARDING THE USE OF AUTHORITY TO NEGOTIATE PRICES FOR MEDICARE PRESCRIPTION DRUGS.

It is the sense of the Senate that the Secretary of Health and Human Services should exercise the authority under section 1906(d)(11)(A) of the Social Security Act (42 U.S.C. 1395w-111(t)(1)), as amended by section 4, so as to assure an affordable Medicare drug benefit for Medicare beneficiaries and taxpayers.

SEC. 4. NEGOTIATING PRICES FOR MEDICA-
L CARE PRESCRIPTION DRUGS.

(a) NEGOTIATION.—Section 1906(d)-11 of the Social Security Act (42 U.S.C. 1395w-111(t)) is amended by striking “(c)” and inserting the following:

(1) This section shall apply to

(2) The Secretary shall negotiate prices for Medicare prescription drugs as provided in section 1906(d)(11)(A) of the Social Security Act (42 U.S.C. 1395w-111(t)(1)), as amended by section 4, as to assure an affordable Medicare drug benefit for Medicare beneficiaries and taxpayers.
“(1) Authority To Negotiate; No National Formulary.—

“(2) No National Formulary.—In order to promote competition under this part and in carrying out this part, the Secretary may not require a particular formulary for covered part D drugs, consistent with the requirements and in furtherance of the goals of provider quality care and containing costs under this part.

“(b) Effective Date.—The amendment made by this section shall take effect as if included in the enactment of section 101(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173)."

By Mr. FEINGOLD:

S. 124. A bill to amend title XVIII of the Social Security Act to repeal the MA Regional Plan Stabilization Fund; to the Committee on Finance.

Mr. FEINGOLD. Mr. President, today I am introducing a bill that will remove the multi-billion dollar “stabilization fund” from the new Medicare prescription drug benefit. This stabilization fund is in essence a slush fund that gives billions of dollars to private insurance companies. This is not an efficient use of taxpayers’ dollars. In fact, it’s not clear why it’s even necessary. A private managed care plan is successful in bringing costs down, as backers of the new Medicare bill expect, and if seniors supposedly want to choose private plans, as backers of the new Medicare bill believe, then why should American taxpayers pay private companies more money to get more people to enroll in them?

We should not be subsidizing private health insurance companies in the name of Medicare reform. It is fiscally irresponsible, in a time of record deficits, for people to pay private managed care plans to be successful in bringing costs down, as backers of the new Medicare will expect, and if seniors supposedly want to choose private plans, as backers of the new Medicare bill believe, then why should American taxpayers pay private companies more money to get more people to enroll in them?

We should not be subsidizing private health insurance companies in the name of Medicare reform. It is fiscally irresponsible, in a time of record deficits, for people to pay private managed care plans to be successful in bringing costs down, as backers of the new Medicare bill expect, and if seniors supposedly want to choose private plans, as backers of the new Medicare bill believe, then why should American taxpayers pay private companies more money to get more people to enroll in them?
Mr. PRESIDENT, I am pleased to join Representative Mike Thompson of California in introducing this legislation, which protect those portions of our state that are located in California’s First Congressional District. The areas protected under this legislation are some of the most magnificent wild places in our state. For example, in southwestern Humboldt and northwestern Mendocino counties, over 12,000 acres of the King Range will be protected as wilderness. This is the wildest portion of the California coast, boasting the longest stretch of undeveloped coastline in the United States outside of Alaska.

This bill will protect watersheds that provide clean water to our cities and farms. This bill would also protect the precious plant and animal species that make their home in these areas. Endangered and threatened species whose habitats will be protected by this bill include the bald eagle, California brown pelican, steelhead trout, coho salmon, bald eagle, peregrine falcon, northern spotted owl, and Roosevelt elk.

During the last 20 years, 675,000 acres of unprotected wilderness lost their wilderness character due to activities such as logging and mining. As our population increases, and California becomes home to almost 50 million people by the middle of the century, development pressures threaten our remaining wild places. We must protect our precious wild rivers before they are lost forever.

Mr. President, those of us who live in the United States have a very special responsibility to protect our natural heritage. With this legislation, we are leaving the next generation an example of how to close the legal gap for our children’s children, and their children.

By Mr. TALENT:

S. 129. A bill to amend title 23, United States Code, to provide for HOV facilities; to the Committee on Environment and Public Works.

Mr. TALENT. Mr. President, I am pleased to be introducing this bill, which will allow more owners of hybrid electric vehicles, or HEVs, to have access to HOV lanes on Federal highways. For all of us who have a desire to lessen our dependence on foreign oil and encourage the use of renewable energy, this bill is a step forward towards achieving those goals.

The language that is currently in the highway bills passed by the House and the Senate allows hybrid vehicles that achieve a 45 mile-per-gallon fuel economy highway rating to use HOV lanes. Any hybrid that achieves that kind of fuel economy certainly deserves to get that status, because it is a very impressive fuel economy rating and represents a substantial improvement over non-hybrid vehicles. What the 45 mile-per-gallon standard fails to take into account, however, is that many larger hybrid vehicles achieve a much larger fuel economy improvement over their internal combustion engine counterparts, and thus save more energy, than smaller hybrids manage to meet the standard but are a less drastic improvement over their non-hybrid counterparts.

To illustrate this, take the 2005 model Honda Civic HEV, which gets just over 45 miles-per-gallon. This represents less than a 40 percent improvement over the comparable internal combustion model. The 2005 Ford Escape HEV, on the other hand, is a truck, so it gets fewer miles per gallon than a typical car, and 40. However, this is a 75 percent improvement over its internal combustion engine counterpart, and in addition, the Escape HEV emits 3.4 tons fewer greenhouse gases every year than the non-hybrid.

There is no reason to discriminate against these larger, American-made hybrids like the Ford Escape. They are truly engineering marvels and are so clearly beneficial for the environment. The bill that I have sponsored will give statute and direction to open up their HOV lanes to hybrid vehicles that achieve a substantial increase in fuel economy relative to comparable gasoline vehicles, or achieve a substantial increase in lifetime fuel savings relative to comparable gasoline vehicles. It creates a minimum standard of improvement necessary for hybrids, and gives States the option of increasing the requirements. This bill also allows States to open HOV lanes to single occupancy advanced lean burn vehicles that achieve at least a 25 percent increase in fuel economy relative to comparable gasoline vehicles and that are certified to Clean Air Act ‘Tier 2’ standards.

I am hopeful that my colleagues on both sides of the aisle can agree that we should do all we can to encourage the use of renewable energy in our country, and hybrid vehicles are an important part of that. The people who drive these vehicles are doing their part to help clean up the air and increase energy conservation, and we should give more people an incentive to buy these vehicles by giving them access to HOV lanes.

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. 129

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

SECTION 1. HOV FACILITIES.

(a) IN GENERAL.—Subchapter I of chapter 1 of title 23, United States Code, is amended by adding at the end the following:

"§ 165. HOV facilities

"(1) DEDICATED ALTERNATIVE FUEL VEHICLE.—The term ‘dedicated alternative fuel vehicle’ means a vehicle that operates solely on—

(A) methanol, denatured ethanol, or other alcohols;

(B) a mixture containing at least 85 percent of methanol, denatured ethanol, or other alcohols by volume with gasoline or other fuels;

(C) natural gas;

(D) liquefied petroleum gas;

(E) hydrogen;

(F) coal derived liquid fuels;

(G) fuels (except alcohol) derived from biological materials;

(H) electricity, including electricity from solar energy; or

(i) any other fuel that the Secretary prescribes by regulation that is not substantially petroleum and that would yield substantial energy security and environmental benefits.

(2) LOW-EMISSION AND ENERGY-EFFICIENT VEHICLE.—The term ‘low-emission and energy-efficient vehicle’ means a vehicle that—

(A) has been certified by the Administrator of the Environmental Protection Agency as meeting the Tier II emission level established in regulations prescribed by the Administrator under section 203(i) of the Clean Air Act (40 U.S.C. 7521(i)) for that make and model year vehicle; and

(B) has propulsion energy drawn from onboard hybrid sources of stored energy that are—

(i) an internal combustion or heat engine using consumable fuel;
(II) a rechargeable energy storage system; and

(III) certified by the manufacturer to have achieved either a 10 percent or more increase in fuel economy relative to a comparable vehicle that is an internal combustion gasoline fueled vehicle (other than a vehicle that has propulsion energy from such on-board generation), or a 10 percent or more vehicle increase in lifetime fuel savings relative to a comparable vehicle, determined in accordance with guidelines prescribed by the Administrator of the Environmental Protection Agency not later than 180 days after the date of enactment of this section, specifying procedures and methods for calculating other increase and making the comparison, except that the State agency referred to in this section may, subject to the guidelines prescribed by the Secretary, determine the percentage under this subclause in furtherance of its responsibilities with respect to a HOV facility specified in subsection (e); or

(ii) is a dedicated alternative fuel vehicle.

(4) PUBLIC TRANSPORTATION VEHICLE. —The term 'public transportation vehicle' means a vehicle that provides public transportation (as defined in section 205(e) of title 49).

(5) STATE AGENCY. —The term 'State agency', as used with respect to a HOV facility, means an agency of a State or local government (including a State transportation department) having jurisdiction over the operation of the facility.

(6) ADVANCED LEAN BURN TECHNOLOGY VEHICLE. —The term 'advanced lean burn technology vehicle' means a vehicle with an internal combustion engine that—

(A) is designed to operate primarily using more air than is necessary for complete combustion of fuel; 

(B) incorporates direct injection; 

(C) achieves at least 125 percent of city fuel economy of a comparable vehicle; and

(D) has received a certificate that the vehicle meets or exceeds—

(i) in the case of a vehicle having a gross vehicle weight rating of 6,000 pounds or less, the Bin 5 II emission standard established by regulations under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)); and

(ii) in the case of a vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin II emission standard established by regulations under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)).

(b) IN GENERAL. —

(1) AUTHORITY OF STATE AGENCIES.—A State agency that has jurisdiction over the operation of a HOV facility shall establish the occupancy requirements of vehicles operating on the facility.

(2) OCCUPANCY REQUIREMENT.—Except as otherwise provided by this section, no fewer than 2 occupants per vehicle may be required for use of a HOV facility under paragraph (1).

(3) EXCEPTIONS TO OCCUPANCY REQUIREMENT.—Notwithstanding the occupancy requirement in subsection (b)(2), the following exceptions shall apply with respect to a State agency operating a HOV facility:

(1) MOTORCYCLES AND BICYCLES.—

(A) In general.—Subject to subparagraph (B), the State agency shall allow motorcycles and bicycles to use the HOV facility.

(B) SAFETY EXCEPTION.—

(i) In general.—A State agency may restrict use of the HOV facility by motorcycles or bicycles if the agency certifies to the Secretary that such use would create a safety hazard, and the Secretary accepts the certification.

(ii) Notice.—The Secretary may accept a certification under clause (i) only after the Secretary has—

(A) given the state an opportunity to submit written comments on the certification in the Federal Register and provides an opportunity for public comment.

(2) PUBLIC TRANSPORTATION VEHICLES.—The State agency may allow public transportation vehicles to use the HOV facility if the agency—

(A) establishes requirements for clearly identifying the vehicles; and

(B) establishes procedures for enforcing the restrictions on the use of the facility by the vehicles.

(3) HIGH OCCUPANCY TOLL VEHICLES.—The State agency may allow vehicles that are not otherwise exempt under this subsection to use the HOV facility if the agency—

(A) the operators of the vehicles pay a toll charged by the agency for use of the facility; and

(B) the agency—

(i) establishes a program that addresses how motorists can enroll and participate in the toll program; 

(ii) develops, manages, and maintains a system that will automatically collect the toll; and

(iii) establishes policies and procedures to—

(I) manage the demand to use the facility by varying the toll amount that is charged; and

(II) enforce violations of use of the facility; and

(C) permit low-income individuals to pay reduced tolls.

(4) LOW-EMISSION AND ENERGY-EFFICIENT VEHICLES.—

(A) INHERENTLY LOW-EMISSION VEHICLES.—Before September 30, 2009, the State agency may allow vehicles that are certified and labeled as inherently low-emission vehicles under section 88.311-95 of title 40, Code of Federal Regulations, to use the HOV facility if the agency establishes procedures for enforcing restrictions on the use of the facility by the vehicles.

(B) OTHER LOW-EMISSION AND ENERGY-EFFICIENT VEHICLES.—Before September 30, 2009, the State agency may allow vehicles that are certified and labeled as low-emission and energy-efficient vehicles under subsection (f) to use the HOV facility if the agency—

(i) establishes a program that addresses how the vehicles are selected and certified; and

(ii) establishes requirements for labeling the vehicles and procedures for enforcing those requirements;

(iii) continuously monitors, evaluates, and reports to the Secretary on the performance of the vehicles; and

(iv) imposes on the use of the HOV facility by vehicles that do not satisfy established occupancy and restrictions that are necessary to ensure that neither the performance of an individual HOV facility nor the HOV facility system are seriously degraded.

(5) ADVANCED LEAN BURN TECHNOLOGY VEHICLES.—Before September 30, 2009, the State agency may allow vehicles that are certified and labeled as advanced lean burn technology vehicles under subsection (f) to use the HOV facility if the agency—

(A) establishes a program that addresses how the vehicles are selected and certified; 

(B) establishes requirements for labeling the vehicles and procedures for enforcing those requirements; 

(C) continuously monitors, evaluates, and reports to the Secretary on the performance of the vehicles; and

(D) imposes on the use of HOV facilities by vehicles that do not satisfy established occupancy requirements any restrictions that are necessary to ensure that neither the performance of individual HOV facilities nor the HOV facility system are seriously degraded.

(6) REQUIREMENTS APPLICABLE TO TOLLS.—

(1) IN GENERAL.—Notwithstanding section 301, tolls may be charged under paragraphs (3) and (4) of subsection (c), subject to the requirements of section 129.

(2) HOV FACILITIES ON THE INTERSTATE SYSTEM.—Notwithstanding section 129, tolls may be charged under paragraphs (3) and (4) of subsection (c) on a HOV facility on the Interstate System.

(3) EXCESS TOLL REVENUES.—If a State agency makes a certification under the last sentence of section 129(a)(3) concerning toll revenues collected under paragraphs (3) and (4) of subsection (c), the State shall give priority consideration to using such toll revenues to develop alternatives to single occupancy vehicle travel or improve highway safety in the use of toll revenues under that sentence.

(4) HOV FACILITY SYSTEM MANAGEMENT, OPERATION, MONITORING, AND ENFORCEMENT.—

(1) IN GENERAL.—A State agency that allows low-emission and energy-efficient vehicles to use a HOV facility under subsection (c)(4) in a fiscal year shall certify to the Secretary that the agency will carry out the following responsibilities with respect to the facility in the fiscal year:

(A) Establish, manage, and support a performance-monitoring, evaluation, and reporting program that provides for continuous monitoring, assessment, and reporting on the effects that low-emission and energy-efficient vehicles may have on the operation of the facility and adjacent highways.

(B) Establish, manage, and support an enforcement program that ensures that the facility is operated in accordance with this section.

(C) Limit or discontinue the use of the facility by low-emission and energy-efficient vehicles if the presence of the vehicles has degraded the operation of the facility.

(2) MINIMUM AVERAGE OPERATING SPEED; DEGRADED FACILITY.—

(A) MINIMUM AVERAGE OPERATING SPEED DEFINED.—In this paragraph, the term 'minimum average operating speed' means—

(i) 45 miles per hour, in the case of a HOV facility with a speed limit of 50 miles per hour or greater; and

(ii) not more than 10 miles per hour below the speed limit, in the case of a HOV facility with a speed limit of less than 50 miles per hour.

(B) STANDARD FOR DETERMINING DEGRADED FACILITY.—For purposes of paragraph (1), the operation of a HOV facility to be considered degraded if vehicles operating on the facility fail to maintain a minimum average operating speed 90 percent of the time over a consecutive 10-day period beginning or evening weekday peak hours.

(1) CERTIFICATION AND LABELING OF LOW-EMISSION AND ENERGY-EFFICIENT VEHICLES AND ADVANCED LEAN BURN TECHNOLOGY VEHICLES.—Not later than 180 days after the date of enactment of this section, the Administrator of the Environmental Protection Agency shall promulgate a final rule establishing requirements for—

(1) certification of vehicles—

(A) as low-emission and energy-efficient vehicles; and

(B) as advance lean burn technology vehicles; and

(2) labeling of the vehicles certified under paragraph (1).

(b) TECHNICAL AMENDMENT.—Section 102(c) of title 23, United States Code, is amended by inserting a period after 'year' and inserting '10 years (or any longer period that the State requests and the Secretary determines to be reasonable)' after 'after'.
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.—The President shall appoint, by and with the advice and consent of the Senate, 1 additional district judge for the district of Nebraska.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table under section 133(a) of title 28, United States Code, is amended by striking the item relating to Nebraska and inserting the following:

“Nebraska ................................ 4.”

By Mr. INHOFE (for himself and Mr. VOINOVICH):

S. 131 would amend the Clean Air Act to reduce air pollution through expansion of cap and trade programs, to provide an alternative regulatory classification for units subject to the cap and trade program; to the Committee on Environment and Public Works.

Mr. INHOFE. 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. 130

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

SECTION 1. DISTRICT JUDGESHIP FOR THE DISTRICT OF NEBRASKA.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate, 1 additional district judge for the district of Nebraska.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table under section 133(a) of title 28, United States Code, is amended by striking the item relating to Nebraska and inserting the following:

“Nebraska ................................ 4.”

By Mr. INHOFE (for himself and Mr. VOINOVICH):

S. 131 would amend the Clean Air Act to reduce air pollution through expansion of cap and trade programs, to provide an alternative regulatory classification for units subject to the cap and trade program; to the Committee on Environment and Public Works.

Mr. INHOFE. 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. 130

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

TITLE IV—EMISSION REDUCTION PROGRAMS

PART A—GENERAL PROVISIONS

SEC. 401. (Reserved)

SEC. 402. DEFINITIONS.

SEC. 403. Allowance system.

SEC. 404. Permits and compliance plans.

SEC. 405. Monitoring, reporting, and recordkeeping requirements.

SEC. 406. Excess emissions penalty; general compliance with other provisions; enforcement.

SEC. 407. Election for additional units.

SEC. 408. Clean coal technology regulatory incentives.

SEC. 409. Electricity reliability.

PART B—SULFUR DIOXIDE EMISSION REDUCTIONS

SUBPART 1—ACID RAIN PROGRAM

SEC. 411. Definitions.

SEC. 412. Allowance allocation.

SEC. 413. Phase I sulfur dioxide requirements.

SEC. 414. Phase II sulfur dioxide requirements.

SEC. 415. Allowances for States with emissions rates at or below 0.80 tons of sulfur dioxide per million Btu.

SEC. 416. Election for additional sources.

SEC. 417. Auctions, reserves, and allocations.

SEC. 418. Industrial sulfur dioxide emissions.

SEC. 419. Termination.

SEC. 420.私下—SULFUR DIOXIDE ALLOWANCE PROGRAM

SEC. 421. Definitions.

SEC. 422. Applicability.

SEC. 423. Limitations on total emissions.

SEC. 424. EGU allocations.

SEC. 425. Disposition of sulfur dioxide allowances allocated under subpart 1.

SEC. 426. Incentives for sulfur dioxide emission control technology.

SUBPART 2—WESTERN REGIONAL AIR PARTNERSHIP

SEC. 431. Definitions.

SEC. 432. Applicability.

SEC. 433. Limitations on total emissions.

SEC. 434. EGU allocations.

PART C—MERCURY EMISSIONS REDUCTIONS

SUBPART 1—ACID RAIN PROGRAM

SEC. 441. Nitrogen oxides emission reduction program.

SEC. 442. Incentives.

SUBPART 2—CLEAR SKIES NITROGEN OXIDES ALLOWANCE PROGRAM


SEC. 452. Applicability.

SEC. 453. Limitations on total emissions.

SEC. 454. EGU allocations.

SEC. 455. Nitrogen oxides early action reduction credits.

SUBPART 3—OZONE SEASON NOX BUDGET PROGRAM

SEC. 461. Definitions.

SEC. 462. General provisions.

SEC. 463. Applicable implementation plan.

SEC. 464. Termination of Federal administration of NOx trading program for EGUs.

SEC. 465. Limitation on NOx emissions of pre-2008 nitrogen oxides allowances.

SEC. 466. Non-ozone season voluntary allowance trade program.

PART D—MERCURY EMISSIONS REDUCTIONS

SEC. 471. Definitions.

SEC. 472. Applicability.

SEC. 473. Limitations on total emissions.

SEC. 474. EGU allocations.

SEC. 475. Mercury early action reduction credits.

PART E—NATIONAL EMISSION STANDARDS; RESEARCH, ENVIRONMENTAL ACCOUNTABILITY; MAJOR SOURCES PRECONSTRUCTION REVIEW AND BEST AVAILABLE RETROFIT CONTROL TECHNOLOGY REQUIREMENTS

SEC. 481. National emission standards for affected units.

SEC. 482. Research, environmental accountability.

SEC. 483. Major source preconstruction review requirements and best available retrofit control technology.

SEC. 484. Repeal of subsection (b)(1) of section 409(b) of title 42, United States Code.


SEC. 486. Tailing disposal and reclamation.

SEC. 487. Election for additional units.

SEC. 488. Use of information in enforcement of part E.

SEC. 489. Notice of availability of information.

SEC. 490. Authorization of appropriations.

SEC. 491. Definitions.

SEC. 492. Certification.


SEC. 494. Provisions relating to acid deposition control.

SEC. 495. Provisions relating to acid deposition control; title IX of the Clean Air Act (42 U.S.C. 7651 et seq.) is amended to read as follows:
section 424, 434, 454, or 474 shall submit to the Administrator such information. The Administrator is not required to allocate allowances under such sections to a unit for which the owner or operator fails to submit information in accordance with the regulations promulgated under this subparagraph.

(6) COAL.—The term ‘coal’ means any solid fossil fuel classified as anthracite, bituminous, subbituminous, or lignite.

(7) COAL- DERIVED FUEL.—The term ‘coal-derived fuel’ means any fuel (whether in a solid, gaseous, or liquid form) produced by the mechanical, thermal, or chemical processing of coal.

(8) COAL-FIRED.—The term ‘coal-fired’ with regard to a unit means, except under subpart 1 of part B, part 1 of part C, and sections 424 and 434, combusting coal or any coal-derived fuel alone or in combination with any amount of other fuel in any year.

(9) COGENERATION UNIT.—The term ‘cogeneration unit’ means, except under subpart 1 of part B and subpart 1 of part C, a unit that produces through the sequential use of energy produces through the sequential use of energy and power.

(10) A) electricity; and

(B) useful thermal energy (such as heat or steam) for industrial, commercial, heating, or cooling purposes.

(11) COMBUSTION TURBINE.—

(A) IN GENERAL.—The term ‘combustion turbine’ means any combustion turbine that is not self-propelled.

(B) INCLUSION.—The term ‘combustion turbine’ includes a simple cycle combustion turbine, a combined cycle combustion turbine and any duct burner or heat recovery device used to extract heat from the combustion turbine exhaust, and a regenerative combustion turbine.

(C) EXCLUSIONS.—The term ‘combustion turbine’ does not include a combined cycle turbine in an integrated gasification combined cycle plant.

(12) COMMENCE COMMERCIAL OPERATION.—The term ‘commence commercial operation’ with regard to a unit means the start up of the unit’s combustion chamber and the commencement of the generation of electricity for sale.

(13) COMPLIANCE PLAN.—The term ‘compliance plan’ means either a statement that the facility will comply with all applicable requirements under this title; or

(A) a statement that the facility is in compliance with the requirements of this subsection; and

(B) a subpart 1 of part B or subpart 1 of part C, where applicable, a schedule and description of the method or methods for compliance and certification by the owner or operator that the facility is in compliance with the requirements of that subpart.

(14) CONTINUOUS EMISSION MONITORING SYSTEM.—The term ‘continuous emission monitoring system’ (CEMS) means the equipment used as required by section 405, used to sample, analyze, measure, and provide on a continuous basis a permanent record of emissions and discharges to the air in pounds per hour (lbs/hr) or such other form as the Administrator may prescribe by regulations under section 405.

(15) DESIGNATED REPRESENTATIVE.—The term ‘designated representative’ means a responsible person or official authorized by the owner or operator of a unit or facility that includes the unit to represent the owner or operator in matters pertaining to the holding, transfer, or disposition of allowances, the submission of compliance with permits, permit applications, and compliance plans.

(16) DUTY.—The term ‘duty’ means exhaust from a combustion turbine to burn fuel for heat recovery.

(17) FUEL.—The term ‘fuel’ means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such materials.

(18) Fossil Fuel.—Fossil Fuel:—The term ‘fossil fuel’ means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such materials.

(19) FUEL OIL.—The term ‘fuel oil’ means a petroleum-based fuel, including diesel fuel or petroleum derivatives.

(20) GAS-SHUTTLED.—The term ‘gas-shuttled’, with regard to a unit, means, except under subpart 1 of part B and subpart 1 of part C, combusting only natural gas or fuel oil, with natural gas comprising at least 90 percent, and fuel oil comprising no more than 10 percent of the unit’s total heat input in any year.

(21) GASYFY.—The term ‘gasyfy’ means to convert carbon-containing material into a gas consisting primarily of carbon monoxide and hydrogen.

(22) GENERATOR.—The term ‘generator’ means a device that produces electricity and, under subpart 1 of part B and subpart 1 of part C, that is reported as a generating unit pursuant to Department of Energy Form 860.

(23) HEAT INPUT.—

(A) IN GENERAL.—The term ‘heat input’, with regard to a specific period of time, means the product (in mmBtu/time) obtained by multiplying—

(i) the gross calorific value of the fuel (in mmBtu/lb); and

(ii) the fuel feed rate into a unit (in lb/time).

(B) EXCLUSIONS.—The term ‘heat input’ does not include the heat derived from preheated combustion air, recirculated flue gases, or exhaust.

(24) INTEGRATED GASIFICATION COMBINED CYCLE PLANT.—The term ‘integrated gasification combined cycle plant’ means any combination of equipment used to gasify fossil fuels (with or without other material) and use the resulting gas in a combined cycle combustion turbine.

(25) OIL-FIRED.—The term ‘oil-fired’, with regard to a unit, means, except under sections 423 and 434, combusting fuel oil for more than 10 percent the unit’s total heat input, and combusting no coal or coal-derived fuel, in any year.

(26) OPERATOR.—The term ‘operator’ means the owner or operator who is responsible for the operation of the facility.

(27) PERMITTING AUTHORITY.—The term ‘permitting authority’ means the federal or state regulatory or control agency, with an approved permitting program under title V of the Act.

(28) POTENTIAL ELECTRICAL OUTPUT.—The term ‘potential electrical output’ with regard to a generator means the nameplate capacity of the generator multiplied by 8,760 hours.

(29) SIMPLE CYCLE COMBUSTION TURBINE.—The term ‘simple cycle combustion turbine’ means a combustion turbine that does not extract heat from the combustion turbine exhaust gas stream.

(30) STATIONARY SOURCE.—The term ‘stationary source’ means any building, structure, facility, or installation located on one or more contiguous or adjacent properties; and

(A) is not self-propelled; and

(B) is not a utility unit.

The term ‘utility unit’ means—

(A) a fossil-fired boiler, combustion turbine, or integrated gasification combined cycle plant;

(B) under subpart 1 of part B and subpart 1 of part C, a fossil-fueled combustion device; and

(C) a stationary source that—

(i) emits nitrogen oxides, sulfur dioxide, mercury, or any combination of those substances; and

(ii) is located under section 407.

(31) STATION.—The term ‘station’ means—

(A) the District of Columbia or the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands; or

(B) under subpart 1 of part B and subpart 1 of part C, the 48 contiguous States or the District of Columbia.

(32) UNIT.—The term ‘unit’ means—

(A) a fuel-fired boiler, combustion turbine, or integrated gasification combined cycle plant;

(B) under subpart 1 of part B and subpart 1 of part C, a fossil-fueled combustion device; and

(C) a stationary source that—

(i) emits nitrogen oxides, sulfur dioxide, mercury, or any combination of those substances; and

(ii) is located under section 407.

(33) YEAR.—The term ‘year’ means a calendar year.

SEC. 403. ALLOWANCE SYSTEM.

(1) ALLOCATIONS.—

(A) IN GENERAL.—For the emission limitation programs under this title, the Administrator shall allocate allowances, the Administrator may prescribe by regulations for any affected unit, to be held or distributed by the designated representative of the owner or operator in accordance with this title as follows:

(i) (A) sulfur dioxide allowances in an amount equal to the annual tonnage emission allowance calculated under section 413, 414, 415, or 416, except as otherwise specifically provided elsewhere in subpart 1 of part B, or in an amount calculated under section 423, 424, or 425;

(ii) nitrogen oxides allowances in an amount calculated under section 454; and

(iii) mercury allowances in an amount calculated under section 474.

(2) NO JUDICIAL REVIEW.—Notwithstanding any other provision of law to the contrary, the calculation of the allocation for any unit and the designation of the appropriate State shall have the meaning set forth in section 468.

(3) ALLOWANCE TRANSFER SYSTEM.—Allowances allocated or sold by the Administrator under this title may be transferred among designated representatives of the owners or operators of affected facilities under this title and any other person, as provided by the allowance system regulations promulgated by the Administrator. With regard to nitrogen oxides allowances and mercury allowances, the Administrator shall implement this subsection by promulgating regulations not later than twenty-four months after the date of enactment of the Clean Air Act of 2005. The regulations under this subsection shall establish the allowance system prescribed under this section, including, as applicable, the allocation, transfer, and use of allowances under this title. Such regulations shall prohibit the use of any allowance prior to the calendar year in which the allowance was allocated and shall provide, consistent with the purposes of this title, for the identification of
unused allowances, and for such unused allowances to be carried forward and added to allowances allocated in subsequent years. Such regulations shall provide, or shall be amended, that transfers of allowances shall not be effective until certification of the transfer, signed by a responsible official, is received and recorded by the Administrator.

(c) Allowance Tracking System.—The Administrator shall promulgate regulations establishing a system for issuing, recording, and tracking allowances, which shall specify all necessary procedures and requirements for an orderly and competitive functioning of the allowance market. Such system may provide, by twenty-four months prior to the compliance year, for one or more facility-wide units for holding sulfur dioxide allowances, nitrogen oxides allowances, and, if applicable, mercury allowances for all affected units at an affected facility. With regard to sulfur dioxide allowances, the Administrator shall implement this subsection under 40 CFR part 73 (2002), amended as appropriate by the Administrator. With regard to nitrogen oxides and mercury allowances, the Administrator shall implement this subsection by promulgating regulations not later than twenty-four months after the date of enactment of the Clear Skies Act of 2005. All allowance allocations and transfers shall, upon recording by the Administrator, become a part of each unit’s or facility’s permit requirements pursuant to section 401, without any further permit review and revision.

(d) Allowances.—A sulfur dioxide allowance, nitrogen oxides allowance, or mercury allowance allocated or sold by the Administrator under this title is a limited authorization to emit one ton of sulfur dioxide, one ton of nitrogen oxides, or one ounce of mercury, as the case may be, in accordance with the provisions of this Act. Such allowance does not constitute a property right. Nothing in this title or in any other provision of law shall be construed to limit the authority of the Unit to terminate or limit such authorization. Nothing in this section relating to allowances shall be construed as affecting the application of or compliance with, any permit requirement of this Act to an affected unit or facility, including the provisions related to applicable National Ambient Air Quality Standards and implementation plans. Nothing in this section shall be construed as requiring a change of any kind in any State law relating to utility charges or affecting any State law relating to State regulation or as limiting State regulation (including any prudence review) under such a State law. Nothing in this section shall be construed as modifying the Federal Power Act or as affecting the authority of the Federal Energy Regulatory Commission under that Act. Nothing in this title shall be construed to interfere with or impair any program for competitive bidding for power supply in a State in which such program accounts for holding sulfur dioxide allowances, nitrogen oxides allowances, or mercury allowances or for holding, holding, or facilitating any program for competitive bidding for power supply in a State or facility and for the year in which the purchase or sale of allowances is made.

(2) Emissions.—It shall be unlawful for any affected unit or for the affected units at a facility to emit sulfur dioxide, nitrogen oxides, and mercury, as the case may be, during any compliance year for allowances held for that unit or facility for that year by the designated representative as provided in sections 412(c), 422, 432, 452, and 472.

(3) Purchase of Allowances.—The owner or operator of a facility may purchase allowances directly from the Administrator to be used only to meet the requirements of section 403, by permits issued to units and transferred to such facility, for the year in which the purchase is made or the prior year.

(4) Use of Allowances.—(A) Such allowances may be used only to meet the requirements of section 422, 432, 452, and 472, as the case may be, for such facility and for the year in which the purchase is made or the prior year;

(B) each such sulfur dioxide allowance shall be sold for $2,000, each such nitrogen oxides allowance shall be sold for $4,000, and each such mercury allowance shall be sold for $5,000, with such prices adjusted for inflation based on the Consumer Price Index on the date of enactment of the Clear Skies Act of 2005 and annually thereafter;

(C) the proceeds from any sales of allowances under subparagraph (B) shall be, in accordance with paragraph (j), deposited in the Compliance Assistance Account;

(D) except where subject to (E), the allowances directly purchased for use for the year specified in subparagraph (A) shall be, on a pro rata basis, taken from, and reinserted in, the allowance allocations and allowances for sulfur dioxide allowances, nitrogen oxides allowances, or mercury allowances, as the case may be, that would otherwise be allocated under section 422, 432, or 472 starting for the second year after the specified year and continuing for each subsequent year as necessary; and

(E) if the designated representative does not use any of such allowances in accordance with paragraph (A) the designated representative shall hold the allowance for deduction purposes in the Compliance Assistance Account.

The Administrator shall deduct the allowance without refund or other form of recompense.

(4) Use of Allowances.—Allowances may not be used prior to the calendar year for which they are allocated and may not be used in the following year for an succeeding years. Nothing in this section or in the allowance system regulations shall relieve the Administrator of the Administrator’s permitting, monitoring and enforcement obligations under this Act, nor relieve affected facilities of their requirements and liabilities under the Act.

(5) Competitive Bidding for Power Supply.—Nothing in this title shall be construed to interfere with or impair any program for competitive bidding for power supply in a State or facility and for the year in which the purchase or sale of allowances is made.

(6) Competitive Bidding for Power Supply.—Nothing in this title shall be construed to interfere with or impair any program for competitive bidding for power supply in a State in which such program accounts for holding sulfur dioxide allowances, nitrogen oxides allowances, or mercury allowances or for holding, holding, or facilitating any program for competitive bidding for power supply in a State or facility and for the year in which the purchase or sale of allowances is made.

(7) Applicability of the Antitrust Laws.—(1) In General.—Nothing in this section affects—

(A) the applicability of the antitrust laws to the transfer, use, or sale of allowances; or

(B) the authority of the Federal Energy Regulatory Commission, without respect to any limitations imposed by sections 412(c), 422, 432, 452, and 472, of law respecting unfair methods of competition or anticompetitive acts or practices.

(2) Definition of Antitrust Laws.—In this subsection, the term ‘antitrust laws’ means those Acts set forth in section 1 of the Clayton Act (15 U.S.C. 12).

(h) Public Utility Holding Company Act.—The acquisition or disposition of allowances pursuant to this title including the issuance of securities or the undertaking of any other financing transaction in connection with such allowances shall not be subject to the provisions of the Public Utility Holding Company Act of 1935.

(i) Interpollutant Trading.—Not later than July 1, 2009, the Administrator shall furnish to the Congress a study evaluating the environmental and economic consequences of amending this title to permit trading sulfur dioxide allowances for nitrogen oxides allowances and nitrogen oxides allowances for sulfur dioxide allowances.

(j) Compliance Assistance Account.—An account shall be established by the Secretary of Energy in consultation with the Administrator:

(1) Use of Amounts.—Payments or monies deposited in this account in accordance with this title shall be used for the purpose of developing emission control technologies through direct grants to affected units that demonstrate new control technologies regulated under this title.

(2) Regulations.—The Secretary of Energy in consultation with the Administrator shall promulgate regulations with notice and opportunity for comment on criteria for affected units to qualify for this subsection.

SEC. 404. PERMITS AND COMPLIANCE PLANS.

(a) Permit Provisions.—Permit provisions of this title shall be implemented, subject to section 403, by permits issued to units and facilities subject to this title and enforced in accordance with the provisions of this Act, as modified by this title. Any such permit issued by the Administrator, or by a State in the case of an approved permit program, shall provide—

(1) annual emissions of sulfur dioxide, nitrogen oxides, and mercury in excess of the number of allowances required to be held in accordance with sections 412(c), 422, 432, 452, and 472;

(2) exceeding applicable emissions rates under section 441;

(3) the use of any allowance prior to the year for which it was allocated; and

(4) contravention of any other provision of this Act.

No permit shall be issued that is inconsistent with the requirements of this title, and title V as applicable.

(b) Compliance Plan.—(1) In General.—Each initial permit application shall be accompanied by a compliance plan for the facility to comply with its requirements.

(c) Emissions Limitation Requirements.—(1) Applicability of Emissions Limitation Requirements of this title shall be implemented, subject to section 403, by permits issued to units and facilities subject to this title and enforced in accordance with the provisions of this Act, as modified by this title. Any such permit issued by the Administrator, or by a State in the case of an approved permit program, shall provide—

(1) annual emissions of sulfur dioxide, nitrogen oxides, and mercury in excess of the number of allowances required to be held in accordance with sections 412(c), 422, 432, 452, and 472;

(2) exceeding applicable emissions rates under section 441;

(3) the use of any allowance prior to the year for which it was allocated; and

(4) contravention of any other provision of this Act.

No permit shall be issued that is inconsistent with the requirements of this title, and title V as applicable.

(d) Emissions Limitation Requirements.—(1) In General.—Nothing in this title shall be construed as affecting the applicability of the Federal Energy Regulatory Commission under that Act. Nothing in this title shall be construed to interfere with or impair any program for competitive bidding for power supply in a State in which such program accounts for holding sulfur dioxide allowances, nitrogen oxides allowances, or mercury allowances or for holding, holding, or facilitating any program for competitive bidding for power supply in a State or facility and for the year in which the purchase or sale of allowances is made.

(2) Competitive Bidding for Power Supply.—Nothing in this title shall be construed to interfere with or impair any program for competitive bidding for power supply in a State in which such program accounts for holding sulfur dioxide allowances, nitrogen oxides allowances, or mercury allowances or for holding, holding, or facilitating any program for competitive bidding for power supply in a State or facility and for the year in which the purchase or sale of allowances is made.

(3) Use of Allowances.—Allowances may not be used prior to the calendar year for which they are allocated and may not be used in the following year for an succeeding years. Nothing in this section or in the allowance system regulations shall relieve the Administrator of the Administrator’s permitting, monitoring and enforcement obligations under this Act, nor relieve affected facilities of their requirements and liabilities under the Act.

(4) Applicability of the Antitrust Laws.—(1) In General.—Nothing in this section affects—

(A) the applicability of the antitrust laws to the transfer, use, or sale of allowances; or

(B) the authority of the Federal Energy Regulatory Commission, without respect to any limitations imposed by sections 412(c), 422, 432, 452, and 472, of law respecting unfair methods of competition or anticompetitive acts or practices.

(2) Definition of Antitrust Laws.—In this subsection, the term ‘antitrust laws’ means those Acts set forth in section 1 of the Clayton Act (15 U.S.C. 12).
under section 413 (b), (c), (d), or (f), section 416, and section 411 (d) or (e), the proposed and approved compliance plan, permit application and permit shall include, pursuant to regulations promulgated by the Administrator, for each alternative method of compliance a comprehensive description of the schedule and means by which the unit will rely on alternative methods of compliance in the manner and time authorized under subpart 1 of part B or subpart 1 of part C.

2) OTHER STATEMENTS.—Submission of a statement by the owner or operator, or the designated representative, of a facility that includes a unit subject to the emissions limitations in subparts A through D of this title except in compliance with the requirements of this section, the applicant may submit a revised application and compliance plan under this section, the applicant may be, in the amount required by such subparts shall be deemed to meet the proposed and approved compliance planning requirements of this section and title V with regard to subparts A through D.

(3) RECORDING OF TRANSFERS.—Recording by the Administrator of transfers of allowances shall amend automatically, and will not reopen or require reopening of any or all applicable proposed or approved permit applications, compliance plans, and permits.

(c) IN GENERAL.—No permit shall be issued under title V except in compliance with the requirements of this section.

(4) AMENDMENT OF APPLICATION AND COMPLIANCE PLAN.—At any time after the submission of an application and compliance plan under this section, the applicant may submit a revised application and compliance plan, in accordance with the requirements of this section.

(e) TERMINATION OF OPERATIONS.—In order to ensure reliability of electric power, nothing in this title or title V shall be construed as requiring termination of operations of a unit serving a generator for failure to have an approved permit or compliance plan under this section.

(1) CERTIFICATE OF REPRESENTATION.—No permit shall be issued under this section to an affected unit unless the designated representative of the owner or operators has filed a certificate of representation with regard to matters under this title, including the holding and distribution of allowances and the proceeds of transactions involving allowances.

(i) Sulfur dioxide, opacity, and volumetric flow for all affected units subject to subpart 2 of part B at the facility.

(ii) Sulfur dioxide, opacity, and volumetric flow for all affected units subject to subpart 2 of part C at the facility, and

(iii) mercury for all affected units subject to part D at the facility.

(2) ALTERNATIVE MONITORING.—

(1) IN GENERAL.—The Administrator may specify an alternative monitoring or compliance method for determining emissions. In specifying such alternative monitoring or compliance methods, the lack of commercially available appropriate and reasonably accurate or practical basis for specifying alternative monitoring or compliance methods for mercury.

(ii) LIMITATIONS.—The regulations under clause (iv) may include limitations on the use of alternative compliance methods by units equipped with an alternative monitoring system as may be necessary to preserve the orderly functioning of the allowances system, and which will ensure to a reasonable extent the emissions reductions contemplated by this title.

(iii) NO SEPARATE MONITORING SYSTEM.—The regulations under clause (iv) shall not require a separate monitoring system to an affected unit until two or more units utilize a single stack and shall require the owner or operator collective to monitor the units equipped with an alternative monitoring system as may be necessary to preserve the orderly functioning of the allowances system, and which will ensure to a reasonable extent the emissions reductions contemplated by this title.

(iv) SPECIFICATION OF REQUIREMENTS.—The Administrator shall, by regulation, specify requirements for CEMS under subparagraph (A), for any alternative monitoring or compliance system that is demonstrated as providing information which is reasonably of the same precision, reliability, and timeliness as that provided by CEMS, and for recordkeeping and reporting of information from such systems. Such regulations may include limitations on the use of alternative compliance methods by units equipped with an alternative monitoring system as may be necessary to preserve the orderly functioning of the allowances system, and which will ensure to a reasonable extent the emissions reductions contemplated by this title. Where two or more units utilize a single stack, a separate CEMS shall not be required for each unit, and for such units the regulations shall require that the owner or operator collect sufficient information to permit reliable compliance determinations for each such unit.

(2) DEADLINES.—

(1) NEW UTILITY UNITS.—Upon commencement of commercial operation of each new utility unit under subpart 1 of part B, the unit shall be in compliance with the requirements of subsection (a)(1).

(2) DEADLINE FOR AFFECTED UNITS UNDER SUBPART 2 OF PART B FOR INSTALLATION AND COMPLIANCE OF CEMS.—By the later of the date that is 1 year before the commencement date of the sulfur dioxide allowance requirement of section 422, or the date on which the unit commences operation, the owner or operator of each affected unit under subpart 2 of part B shall install and operate CEMS, quality assure the data, and keep records and reports in accordance with the regulations issued under paragraph (a)(2) with regard to sulfur dioxide, opacity, and volumetric flow.

(3) DEADLINE FOR AFFECTED UNITS UNDER SUBPART 3 OF PART B FOR INSTALLATION AND COMPLIANCE OF CEMS.—By the later of the date that is 1 year before the first covered year, or the date on which the unit commences operation, the owner or operator of each affected unit under subpart 3 of part B shall install and operate CEMS, quality assure the data, and keep records and reports in accordance with the regulations issued under paragraph (a)(2) with regard to sulfur dioxide and volumetric flow.
1.5; and 

(i) 1.5; and 

(ii) the Administrator receives the penalty required under this subparagraph; or 

(ii) the Administrator receives the penalty required under this subparagraph; or

3. Implementing regulations no later than 24 months after the date of enactment of the Clean Skies Act of 2005. Any such payment shall be deposited in the Compliance Assistance Account.

4. Excess Emissions Offset—

(a) In General.—The owner or operator of any unit subject to the requirements of section 412(c) that emits sulfur dioxide for any calendar year before 2008 in excess of the sulfur dioxide allowances held for the unit for the calendar year shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f) or (g). That penalty shall be calculated as follows:

(A) The product of the unit’s excess emissions (in tons) multiplied by $2,000, if within 30 days of the date on which the owner or operator was required to hold sulfur dioxide allowances; and

(B) If the requirements of clause (A)(i) or (A)(ii) are not met, the product of the unit’s excess emissions (in tons) multiplied by $3,000.

5. Excess Emissions of Sulfur Dioxide, Nitrogen Oxides, or Mercury.—If the units at a facility that are subject to the requirements of section 412(c) emit sulfur dioxide for a year after 2007 in excess of the sulfur dioxide allowances that the owner or operator of the facility holds for use for the facility for that calendar year, the owner or operator shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f).

6. Excess Emissions of Sulfur Dioxide, Nitrogen Oxides, or Mercury.—If the units at a facility that are subject to the requirements of section 412(c) emit sulfur dioxide for a year after 2007 in excess of the sulfur dioxide allowances that the owner or operator of the facility holds for use for the facility for that calendar year, the owner or operator shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f). That penalty shall be calculated as follows:

(A) The product of the unit’s excess emissions (in tons) multiplied by $2,000; or

(B) If the requirements of clause (A)(i) or (A)(ii) are not met, the product of the unit’s excess emissions (in tons) multiplied by $3,000.

7. Excess Emissions of Sulfur Dioxide, Nitrogen Oxides, or Mercury.—If the units at a facility that are subject to the requirements of section 412(c) emit sulfur dioxide for a year after 2007 in excess of the sulfur dioxide allowances that the owner or operator of the facility holds for use for the facility for that calendar year, the owner or operator shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f). That penalty shall be calculated as follows:

(A) The product of the unit’s excess emissions (in tons) multiplied by $2,000; or

(B) If the requirements of clause (A)(i) or (A)(ii) are not met, the product of the unit’s excess emissions (in tons) multiplied by $3,000.

8. Excess Emissions of Sulfur Dioxide, Nitrogen Oxides, or Mercury.—If the units at a facility that are subject to the requirements of section 412(c) emit sulfur dioxide for a year after 2007 in excess of the sulfur dioxide allowances that the owner or operator of the facility holds for use for the facility for that calendar year, the owner or operator shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f). That penalty shall be calculated as follows:

(A) The product of the unit’s excess emissions (in tons) multiplied by $2,000; or

(B) If the requirements of clause (A)(i) or (A)(ii) are not met, the product of the unit’s excess emissions (in tons) multiplied by $3,000.

9. Excess Emissions of Sulfur Dioxide, Nitrogen Oxides, or Mercury.—If the units at a facility that are subject to the requirements of section 412(c) emit sulfur dioxide for a year after 2007 in excess of the sulfur dioxide allowances that the owner or operator of the facility holds for use for the facility for that calendar year, the owner or operator shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f). That penalty shall be calculated as follows:

(A) The product of the unit’s excess emissions (in tons) multiplied by $2,000; or

(B) If the requirements of clause (A)(i) or (A)(ii) are not met, the product of the unit’s excess emissions (in tons) multiplied by $3,000.

10. Excess Emissions of Sulfur Dioxide, Nitrogen Oxides, or Mercury.—If the units at a facility that are subject to the requirements of section 412(c) emit sulfur dioxide for a year after 2007 in excess of the sulfur dioxide allowances that the owner or operator of the facility holds for use for the facility for that calendar year, the owner or operator shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f). That penalty shall be calculated as follows:

(A) The product of the unit’s excess emissions (in tons) multiplied by $2,000; or

(B) If the requirements of clause (A)(i) or (A)(ii) are not met, the product of the unit’s excess emissions (in tons) multiplied by $3,000.

11. Excess Emissions of Sulfur Dioxide, Nitrogen Oxides, or Mercury.—If the units at a facility that are subject to the requirements of section 412(c) emit sulfur dioxide for a year after 2007 in excess of the sulfur dioxide allowances that the owner or operator of the facility holds for use for the facility for that calendar year, the owner or operator shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f). That penalty shall be calculated as follows:

(A) The product of the unit’s excess emissions (in tons) multiplied by $2,000; or

(B) If the requirements of clause (A)(i) or (A)(ii) are not met, the product of the unit’s excess emissions (in tons) multiplied by $3,000.

12. Excess Emissions of Sulfur Dioxide, Nitrogen Oxides, or Mercury.—If the units at a facility that are subject to the requirements of section 412(c) emit sulfur dioxide for a year after 2007 in excess of the sulfur dioxide allowances that the owner or operator of the facility holds for use for the facility for that calendar year, the owner or operator shall be liable for the payment of an excess emissions penalty, except where such emissions were authorized pursuant to section 110(f). That penalty shall be calculated as follows:

(A) The product of the unit’s excess emissions (in tons) multiplied by $2,000; or

(B) If the requirements of clause (A)(i) or (A)(ii) are not met, the product of the unit’s excess emissions (in tons) multiplied by $3,000.
Index, on November 15, 1990, and annually thereafter.

“(d) Prohibition.—It shall be unlawful for the owner or operator of any unit or facility liable for a penalty and offset under this section to fail—

“(1) to pay the penalty under subsection (a); or

“(2) to offset excess emissions as required by subsection (b).

“(e) Savings Provision.—Nothing in this section shall limit or otherwise affect the applicability of section 113, 114, 120, or 304 except as otherwise explicitly provided in this title.

“(f) Other Requirements.—Except as expressly provided, compliance with the requirements of this Act shall not exempt or require any facility subject to this title from compliance with any other applicable requirements of this Act. Notwithstanding any other provision of this Act, no State or political subdivision thereof shall restrict or interfere with the transfer, sale, or purchase of allowances under this title.

“(g) Violations.—Violation by any person subject to this title of any prohibition of, requirement of, or regulation promulgated pursuant to this Act shall be a violation of this Act. In addition to the other requirements and prohibitions provided for in this title, the operation of any affected unit or the affected facility shall not be deemed a violation of this Act. The Administrator shall not authorize a transfer of a facility subject to this title from compliance with any other applicable requirements of this Act. Any provision of this Act, no State or political subdivision thereof shall restrict or interfere with the transfer, sale, or purchase of allowances under this title.

“SEC. 407. ELECTION FOR ADDITIONAL UNITS.

“(a) Violation.

“(1) In general.—The owner or operator of any unit that is not an affected EGU under subpart 2 of part B and subpart 2 of part C and whose sulfur dioxide and nitrogen oxides arevented only through a stack or duct may elect to designate the unit as an affected unit under subpart 2 of part B and subpart 2 of part C.

“(2) Effect of designation.

“(A) In general.—The owner or operator elects to designate a unit that is solid fuel-fired and emits mercury vented only through a stack or duct, the owner or operator shall also designate the unit as an affected unit under part D. If an elected unit fires only gaseous fuels, the unit may be designated in part C or C.

“(B) Application.—An owner or operator making an election under subsection (a) shall submit an application for the election to the Administrator.

“(c) Approval.—Subject to subsections (d) through (m), if the Administrator determines that an application for an election under subsection (b) meets the requirements of subsection (a), the Administrator shall approve the designation as an affected unit under subpart 2 of part B and subpart 2 of part C.

“(d) Establishment of Baseline.

“(1) In general.—After approval of a designation under subsection (c), an owner or operator shall install and operate monitoring on the designated unit required under paragraph (5), except that, in a case in which 2 or more units use a single stack, separate monitoring shall be required, unless each unit unless all units using the same stack are designated as affected units.

“(2) Baselines.

“(A) In general.—Units shall have baselines established using heat input unless the unit qualifies for a product output baseline under paragraph (4).

“(B) Product output baseline.

“(A) In general.—The baselines for heat input or product output and sulfur dioxide and nitrogen oxides emission rates, as the case may be, for the unit shall be the unit’s heat input or product output and the emission rates of sulfur dioxide and nitrogen oxides in accordance with paragraphs (4) and (5).

“(C) Regulations.—The Administrator shall promulgate regulations requiring the unit’s baselines for heat input or product output and sulfur dioxide and nitrogen oxides emission rates to be based on the same year and specifying minimum data requirements consistent with paragraph (5) for baseline establishment.

“(D) Heat input and emissions baselines.—For the purposes of this section, heat input and emissions shall be calculated, at the election of the owner or operator of the relevant unit, as—

“(A) for heat input, the average of the unit’s highest heat input for 3 of the 5 years before the year for which the Administrator is determining the allocations; and

“(B) for emissions baselines, the average of the relevant emissions during those same 3 years.

“(E) Prohibition. The average of any period of 24 consecutive months during the relevant 5-year period immediately prior to the submission of an application under subsection (b), on the condition that the heat input does not exceed 1.2 times the average of the 10-year period immediately prior to the year for which the Administrator is determining the allocations; and

“(F) for emissions baselines, the average of the relevant emissions for the 4-year period prior to the date of enforcement of the Clear Skies Act of 2005 (for units that submit an application on or before January 1, 2009), or the average of the relevant emissions for the 4 years before the date of submission of the application under that Act (for units that submit an application after January 1, 2009).

“(G) Designation for product output basis.

“(A) In general.—The owner or operator of a unit that is subject to new source performance standards or other measures imposed by this Act on a product output basis rather than a heat input basis may elect to designate the unit as an affected unit under subpart 2 of part B and subpart 2 of part C.

“(B) Baseline product output and emissions baselines.—For the purposes of this paragraph, for those units using a product output basis, the baseline product output and emissions baselines shall be calculated, at the election of the owner or operator of the relevant unit, as—

“(i) alternative data that has been used to determine compliance with the average of the unit’s highest product output for 3 of the 5 years preceding the year for which the Administrator is determining the allocations; and

“(ii) for emissions baselines, the average of the relevant emissions for the same years used to determine product output.

“(B) Effect of designation. If the Administrator approves the designation as an affected unit under subpart 2 of part B and subpart 2 of part C, the unit shall be subject to the requirements of this section.

“(C) Regulations. The Administrator shall promulgate regulations determining the allocation of sulfur dioxide allowances and nitrogen oxides allowances under subsection (d), beginning on the later of January 1, 2010, or January 1 of the year after approval of the designation; and

“(D) Allocations.

“(1) Sulfur dioxide and nitrogen oxides allowances. The Administrator shall promulgate regulations determining the allocations of sulfur dioxide allowances and nitrogen oxides allowances in accordance with paragraphs (2) and (3).

“(B) Product output.

“(A) In general.—The Administrator shall promulgate regulations determining the allocation of sulfur dioxide allowances and nitrogen oxides allowances in accordance with paragraphs (2) and (3).

“(B) Types of data.—Reliable data described in subparagraph (A) includes—

“(i) alternative data that has been used to determine compliance with a regulatory or permitting requirement, or a comparable State law, if the data establishes a reliable measure of heat input or product output and sulfur dioxide and nitrogen oxides emissions over a simultaneous period of time;

“(ii) if that data is not available, such other alternative reliable data as the Administrator may prescribe.

“(C) Use of CEMS for compliance monitoring. The Administrator shall not require the use of CEMS for compliance monitoring by units of between 250 mmBtu heat input or equivalent product output capacity, as the case may be, between 250 mmBtu and 750 mmBtu heat input or equivalent product output capacity unless the Administrator determines that a CEMS requirement is necessary to generate reliable data for compliance determinations;

“(D) Reliability.—Determining the reliability of data. For purposes of this subsection, the Administrator shall consider the cost of generating more reliable data compared to the quantitative importance of the resulting gain in quantifying emissions.

“(E) Emission limitations.—After approval of the designation of the unit under subsection (c), the unit shall be subject to the provisions of the Clear Skies Act of 2005 (beginning January 1, 2018) of the unit’s most stringent Federal or State emission limitation for sulfur dioxide or nitrogen oxides applicable to the year on which the unit’s baseline heat input or product output is based under subsection (d).

“(F) Mercury.

“(A) In general.—The Administrator shall promulgate regulations providing for the allocation and reporting of mercury allowances under subsection (d) of the Clear Skies Act of 2005 (for units that submit an application on or before January 1, 2009) for the 4 years before the date of submission of the application under that Act (for units that submit an application after January 1, 2009).

“(B) Baseline product output and emissions baselines. The Administrator shall promulgate regulations determining the allocation of mercury allowances under subsection (d), beginning on the later of January 1, 2010, or January 1 of the year after approval of the designation; and

“(C) Regulations. The Administrator shall promulgate regulations determining the allocation of mercury allowances under subsection (d), beginning on the later of January 1, 2010, or January 1 of the year after approval of the designation; and

“(D) Allocations.

“(1) Sulfur dioxide and nitrogen oxides allowances. The Administrator shall promulgate regulations determining the allocation of sulfur dioxide allowances and nitrogen oxides allowances in accordance with paragraphs (2) and (3).

“(B) Types of data.—Reliable data described in subparagraph (A) includes—

“(i) alternative data that has been used to determine compliance with a regulatory or permitting requirement, or a comparable State law, if the data establishes a reliable measure of heat input or product output and sulfur dioxide and nitrogen oxides emissions over a simultaneous period of time;

“(ii) if that data is not available, such other alternative reliable data as the Administrator may prescribe.

“(C) Use of CEMS for compliance monitoring. The Administrator shall not require the use of CEMS for compliance monitoring by units of between 250 mmBtu heat input or equivalent product output capacity unless the Administrator determines that a CEMS requirement is necessary to generate reliable data for compliance determinations; and

“(D) Reliability.—Determining the reliability of data. For purposes of this subsection, the Administrator shall consider the cost of generating more reliable data compared to the quantitative importance of the resulting gain in quantifying emissions.

“(E) Emission limitations.—After approval of the designation of the unit under subsection (c), the unit shall be subject to the provisions of the Clear Skies Act of 2005 (beginning January 1, 2010) and 50 percent (beginning January 1, 2018) of the unit’s baseline heat input or product output under subsection (d) multiplied by the lesser of—

“(i) the unit’s baseline sulfur dioxide emission rate or nitrogen oxides emission rate, as the case may be; or

“(ii) the unit’s most stringent Federal or State emission limitation for sulfur dioxide or nitrogen oxides applicable to the year on which the unit’s baseline heat input or product output is based under subsection (d).

“(F) Mercury.
(B) ALLOCATIONS.—The regulations shall provide for allocations equal to the lesser of—

(i) the product obtained by multiplying—

(I) the unit’s allowable emissions rate for mercury under the national emissions standards for hazardous air pollutants and for those hazardous air pollutants subject to emission limitations under the NESHAPs identified in subsection (j) times the number of expected emissions from such sources that might reasonably be expected to occur for each year from 2010 through 2018.

(ii) the product obtained by multiplying—

(I) the unit’s least stringent Federal or State emission limitation for mercury emissions rate by

(II) the unit’s baseline heat input or product output.

(6) DETERMINATION.—Allowances allocated to electing units under paragraphs (1) and (2) shall comprise a separate allocation for emissions from sections 423, 433, 453, 473, and other provisions of this Act. These allowances for sulfur dioxide, nitrogen oxides, or mercury, as the case may be, shall be tradable with allowances allocated under section 414, 424, 454, 474, as applicable, on the conditions that—

(A) electing units may only trade nitrogen oxides within the respective zones established in sections 414, 424, 454, 474, and within which the electing unit is located; and

(B) affected units within the WRAP States may only purchase sulfur dioxide allowances for any year from sources that are reasonably distributed by the Administrator to electing units within the WRAP States, and will not be counted for purposes of the affected unit’s emissions within the meaning of the WRAP Annex.

(7) INCENTIVES FOR EARLY REDUCTIONS.—

(A) IN GENERAL.—Not later than 180 months after the date of enactment of this section, the Administrator shall promulgate regulations authorizing the allocation of sulfur dioxide, nitrogen oxides, and mercury allowances to units designated under this section that install or modify pollution control equipment or combustion technology improvements identified in such regulations after the date of enactment of this section and prior to January 1, 2010.

(B) PROHIBITION ON CERTAIN ALLOCATIONS.—No allowances shall be allocated under this paragraph for emissions reductions attributable to—

(i) pollution control equipment or combustion technology improvements that were operating or under construction at any time prior to the date of enactment of this section;

(ii) fuel switching; or

(iii) compliance with any Federal regulation.

(C) ALLOCATIONS.—The allowances allocated to any unit under this paragraph shall—

(i) be in addition to the allowances allocated under paragraphs (1) and (2) and sections 414, 424, 434, 454, and 474; and

(ii) be allocated in an amount equal to 1.65 tons of reduction in emissions of sulfur dioxide and nitrogen oxides, respectively, as each 1.65 tons of reduction in the emissions of mercury, achieved by the pollution control equipment or combustion technology improvements starting with the year in which the equipment or improvement is implemented.

(g) WITHDRAWAL.—The Administrator shall promulgate regulations withdrawing from the approved designation under subsection (c) any unit that qualifies as an affected EGU under the NESHAPs identified in subsection (j)(1) from such sources that may reasonably be expected to occur for each year from 2010 through 2018.

(2) REPORTS.—

(A) PRELIMINARY REPORT.—Not later than 18 months after the date of enactment of this section, and annually thereafter, the Administrator shall make available for public comment a peer reviewed preliminary report characterizing the emissions and public health effects that may reasonably be anticipated to occur from the implementation of subsection (j)(1) and subsection (f).

(B) FINAL REPORT.—Not later than 30 months after the date on which the preliminary report is published under subparagraph (A), in accordance with section 112(n)(1)(A), the Administrator shall publish a final report, including responses to the comments received.

(3) REQUIREMENTS.—The requirements of section 112(n)(1)(A), for purposes of this paragraph, apply to electing units identified to ensure that the final report under subparagraph (B) includes—

(i) an estimate of the numbers and types of sources that are expected to be designated under this section;

(ii) an estimate of any increase or decrease in the annual emissions of criteria pollutants and of those hazardous air pollutants subject to emission limitations under the NESHAPs identified in subsection (j)(1) from such sources that may reasonably be expected to occur for each year from 2010 through 2018;

(iii) an estimate of any increase or decrease in the annual emissions of criteria pollutants and of those hazardous air pollutants subject to emission limitations under the NESHAPs identified in subsection (j)(1) from such sources that may reasonably be expected to occur for each year from 2010 through 2018, if such sources estimated in clauses (i) and (ii) are not designated under this section; and

(iv) a description of the public health and environmental impacts associated with the emissions increases and decreases described in clauses (i) and (ii).

(4) ADDITIONAL AUTHORITY.—

(A) IN GENERAL.—Notwithstanding subsection (j)(1), the Administrator may allocate and regulate emissions of hazardous air pollutants listed under section 112(b), other than mercury compounds, from sources designated under this section in accordance with section 112(c)(2).

(B) DETERMINATION.—Not later than 2 years after the date on which the first report listed under subparagraph (A) is published, the Administrator shall make a determination based on the study and other information satisfying the criteria of the Data Quality Act whether to establish emissions limitations under section 112(f) for sources designated under this section.

(5) MAJOR SOURCE EXEMPTION.—

(A) IN GENERAL.—Subject to subparagraph (B), a unit designated as an affected unit under this section shall be determined to be a major source, or a part of a major emitting facility or major stationary source for purposes of compliance with the requirements of paragraphs (2)(A) and (C) and after January 1, 2010, to the emissions limitation for mercury or the equivalent mercury allocation under subsection (j)(2), along with associated monitoring and compliance requirements, that would be applicable to such units under the NESHAP for those sources promulgated pursuant to section 112(d).

(B) APPLICABILITY.—Subparagraph (A) applies only if, beginning on the date that is 8 years after the date of enactment of this section or designation of a unit as an affected unit.

(C) With the designated unit either achieves in fact, or is subject to a regulatory requirement to achieve, a limit on the emissions of particulate matter from the affected unit to not greater than the level applicable to the unit either pursuant to subparagraph D of part 60 of title 40, Code of Federal Regulations, or the national emissions standards for hazardous air pollutants for industrial boilers and process heaters issued pursuant to section 112; or

(ii) the owner or operator of the affected unit properly operates, maintains, and repairs pollution control equipment to limit emissions of particulate matter; and

(iii) the owner or operator of the designated facility uses good combustion practices to minimize emissions of carbon monoxide.

(2) CLASS I AREA PROTECTIONS.—Notwithstanding the exemption in paragraph (1), an electing unit located in a Class I area on which construction commences after the date of enactment of this
section is subject to those provisions under part C of title I to the review of a new or modified major stationary source’s impact on a Class I area.

(1) IN GENERAL.—No unit designated under this section shall transfer or bank allowances as a result of reduced utilization or shutdown results from the replacement of the unit designated under this section, with any other unit or units subject to the requirements of this subsection.

(2) Reduction of Utilization or Shutdown.—In no case may the Administrator allocate to a source designated under this section allowances that will result in emissions from a unit of which will not increase as a result of the demonstration project.

(3) EPA REGULATIONS.—No later than two years after December 15, 1990, the Administrator shall promulgate regulations or interpretive rulings to revise requirements under section 111 and parts C and D, as appropriate, consistent in this subsection. With respect to parts C and D, such regulations or rulings shall apply to all areas in which EPA is the permitting authority, in which the State is the permitting authority under part C or D, any State may adopt and submit to the Administrator for approval revisions to its implementation plan to apply the regulations or rulings promulgated under this subsection.

(c) Exemption for Reactivation of Very Clean Units.—Physical changes or changes in the method of operation associated with the commencement of commercial operation of a coal-fired utility unit after a period of commercial operation shall not subject the unit to the requirements of section 111 or part C of the Act where the unit—

(1) has not been in operation for the two-year period prior to November 15, 1990, and the emissions from such unit continue to be carried in the permitting authority’s emissions inventory on November 15, 1990; and

(2) was equipped prior to shut-down with a continuous system of emissions control that achieves a removal efficiency for sulfur dioxide of no less than 85 percent and a removal efficiency of particulates of no less than 98 percent;

(3) is equipped with low-NOx burners prior to the time of commencement; and

(4) is otherwise in full compliance with the requirements of this Act.

(e) SEC. 409. ELECTRICITY RELIABILITY.

(a) RELIABILITY.—At any time prior to the applicability of this Act under sections 422, 432, 452, and 472, in order to ensure the reliability of an electric utility company or system, which is privately or municipally owned, for a specified geographic area or service territory, as determined by the Department of Energy in consultation with the Administrator, during the construction of sulfur dioxide pollution control technology or scrubbers, nitrogen oxides, mercury or particulate matter control technology, any combination thereof, the owner or operator of an affected unit may meet the requirements of sections 422, 432, 452, and 472 by means of the compliance procedures of this subsection.

(b) PETITION.—The owner or operator of an affected unit that believes it may experience an adverse impact on the reliability of its electric utility company or system, which is privately or municipally owned, for a specified geographic area or service territory, as determined by the Department of Energy in consultation with the Administrator, may request a determination that, to a reasonable degree of certainty, reliability will be threatened. Such a determination shall request the following considerations:

(i) a description of each affected unit, the estimated outage time and a construction schedule;

(ii) an estimate of demand from date of applicability until 2018;

(iii) the impacts on reliability associated with constructing all of the pollution control projects, including those for sulfur dioxide, nitrogen oxides, mercury, or particulate matter, by the respective deadlines; and

(iv) how the program schedule would alleviate detrimental impacts.

(c) FAILURE TO PROMULGATE REGULATIONS.—If the Secretary of Energy fails to promulgate final regulations or such regulations are not effective for any reason, within the prescribed time, petitions containing reasonably sufficient information for a final determination may be submitted to the Secretary of Energy and will be deemed complete.

(d) FINAL DETERMINATION.—In making a final determination the Secretary of Energy, in consultation with the Administrator, shall consider the following factors, provided that not all factors need be present to make reliability determination that, to a reasonable degree, reliability will be threatened:

(A) SUPPLY.—The ability of vendors to supply scrubbers, scrubber system equipment, materials and scrubber affected balance of plant equipment including fans, pumps, electric motors, motor drives, transformers, control systems, and instrumentation, at fair prices with meaningful guarantees or warranties as to availability, delivery dates and meeting contracted pollution control reduction requirements or emissions limitations; with similar considerations for nitrogen oxides, mercury or particulate matter control technology, or any combination thereof.

(B) DESIGN AND CONSTRUCTION RESOURCES.—The availability and limitations of key sulfur dioxide, nitrogen oxides or mercury, control technologies developed in North American construction resources. The design resources shall include design engineers, design, engineering, and construction companies experienced in the design of sulfur dioxide, nitrogen oxides, mercury or particulate matter control technology. The construction resources shall include construction companies experienced in the design and construction of sulfur dioxide, nitrogen oxides, mercury, or particulate matter control technology and trained and experienced resources including process and professional engineers, boiler makers, iron workers, electricians, mechanics;

(C) FEASIBILITY OF CONSTRUCTION.—The feasibility of completing all pollution control technology projects by the relevant applicability compliance deadline.

(e) IMPACT.—The impact in terms of unit outages and construction schedules on a company or system’s reliability and whether such impact is unreasonable, which term shall be presumed to be submitted to the Secretary of Energy in coordination with the relevant state or Federal agency.

(ii) an increase in the price of purchase power of (10) percent over the estimated cost in cents per kilowatt hour for the company, system or State, utilized in the latest submittals to a relevant State or Federal agency;

(iii) a projected reduction in available generating capacity such that adequate reserve margins for a company, system or State do not exist, as determined by the Secretary of Energy in coordination with the relevant state or Federal agency.
Federal or State utility agency or reliability council; or

(ii) a supply shortage of coal needed to meet emissions control expectations for any proportion of total electric output.

(2) A company or system which submits a petition to install sulfur dioxide, nitrogen oxides, mercury, or particulate matter control technology in any combination thereof, on affected units equaling 25 percent or more of its coal-fired capacity shall be presumed to meet the requirements, for the determination from the Secretary of Energy.

(4) COMPLIANCE.—Upon a positive determination by the Secretary of Energy in accordance with paragraph (3)(E), such affected units will be granted a 1-year extension from the relevant applicability date under this title.

(b) Submission of Petition.—During any year covered by this title, an affected unit may submit a petition in accordance with paragraphs (a)(2) and (a)(3)(A) to install mercury allowances, as the case may be, located for the immediate next year to meet the applicable requirements to hold such allowances equal to the petitioned year’s emissions.

(c) Presidential Waiver.—Notwithstanding any other provision of this Act, The President of the United States shall have authority to temporarily grant waivers from emission limitations under section 414 for Btu consumed in fuel during calendar years 1985, 1986, and 1987, as recorded by the Department of Energy pursuant to Form 767. For any unit using for purposes of computing emissions allowances other than the allowances calculated as follows:

(C) The Administrator shall, upon application or on his own motion, by December 31, 1991, enter into a common proceeding to correct any factual error in such reports. Upon petition of the owner or operator of any unit, the Administrator may make appropriate adjustments under this paragraph. Upon petition of the owner or operator of any unit, the Administrator may make appropriate adjustments under this paragraph. Upon petition of the owner or operator of any unit, the Administrator shall prescribe by regulation to be promulgated not later than 18 months after November 15, 1990, rules for making such adjustments.

(2) ALLOWABLE 1985 EMISSIONS RATE.—The term ‘1985 emissions rate’, for electric utility units, means the annual sulfur dioxide or nitrogen oxides or mercury emissions rate in pounds per million Btu as reported in the 1985 National Acid Precipitation Assessment Program (NAPAP) Emissions Inventory, Version 2, National Utility Reference File (NURF). For nonutility units, the term ‘actual 1985 emission rate’ means the annual average emission rate, in million Btu as reported in the NAPAP Emissions Inventory, Version 2.

(2) ALLOWABLE 1985 EMISSIONS RATE.—The term ‘allowable 1985 emissions rate’ means a federal level enforceable emissions limitation for sulfur dioxide or nitrogen oxides or mercury, applicable to the unit in 1985 or the limitation applicable in such other subsequent year as determined by the Administrator if such a limitation for 1985 does not exist. Where the emissions limitation for a unit is not expressed in pounds per million Btu, or the averaging period of that emissions limitation is not expressed on a period other than an annual basis, the Administrator shall calculate the annual equivalent of that emissions limitation.

(3) ALTERNATIVE METHOD OF COMPLIANCE.—The term ‘alternative method of compliance’ means a method of compliance, in accordance with one or more of the following authorities:

(i) a substitute plan submitted and approved in accordance with subsections 423(b) and (c); or

(ii) a phase I extension plan approved by the Administrator under section 423(d), using quality allowances as determined by the Administrator in accordance with that section.

(4) BASELINE.—The term ‘baseline’ means the annual quantity of fossil fuel consumed by an affected unit, measured in millions of British Thermal Units (mbtu), calculated as follows:

(A) For each utility unit that was in commercial operation prior to January 1, 1985, the baseline shall be the annual average of the emissions from the use of fuels which were not subject to treatment prior to combustion, for sulfur dioxide or oxides of nitrogen, apportioned to the unit by the Administrator.

(8) CAPACITY FACTOR.—The term ‘capacity factor’ means the ratio between the actual electric output from a unit and the potential electric output from that unit.

(7) COMMENCEMENT.—The term ‘commenced’ as applied to construction of any new electric utility unit means that an owner or operator of an existing unit has undertaken a continuous program of construction on or more than 30 years, including contracts that permit an owner or operator to acquire, a specified amount or percentage of capacity and associated energy generated by a specified generating unit (or units) and pays its proportional amount of such unit’s total costs, pursuant to a contract either—

(A) for the life of the unit;

(B) for a cumulative term of no less than 30 years, including contracts that permit an owner or operator to acquire, a specified amount or percentage of capacity and associated energy generated by a specified generating unit (or units) and pays its proportional amount of such unit’s total costs, pursuant to a contract under this subpart.

(C) for a period equal to or greater than 25 years or 70 percent of the economic useful life of the unit determined as of the time the new unit is placed in operation on or after November 15, 1990.

(5) BASIC PHASE II ALLOWANCE ALLOCATIONS.—The term ‘basic phase II allowance allocations’ means:

(A) For calendar years 2000 through 2009 inclusive, allocations of allowances made by the Administrator under section 412 of title 30 (Basic phase II allowance allocations), and subsections (b)(1), (3), and (4); (c)(1), (2), (3), and (5); (d)(1), (2), (4), and (5); (e)(1), (g)(1), (2), (3), (4), and (5); (h)(1); (i); and (j) of section 414.

(B) For each calendar year beginning in 2010, allocations of allowances made by the Administrator pursuant to section 412 and subsections (b)(2), (3), and (5); (d)(1), (2), (4), and (5); (e)(1); (g)(2), (3), (4), and (5); (h)(1) and (3); and (i) and (j) of section 414.

(6) QUALIFYING PHASE I TECHNOLOGY.—The term ‘qualifying phase I technology’ means a technological system of continuous emission reduction which achieves a 90 percent reduction in emissions of sulfur dioxide or oxides of nitrogen from the use of fuels which were not subject to treatment prior to combustion.
December 31, 2007, it shall be unlawful for a new utility unit to emit an annual tonnage of sulfur dioxide in excess of the number of allowances to emit held for the unit by the unit’s owner or operator. 

(2) Prohibition of Exceeding Source Allowances.—Starting January 1, 2008, a new utility unit shall be subject to the prohibition in subsection (a). 

(3) Eligibility for Allocation of Sulfur Dioxide Allowances.—New utility units shall not be eligible for an allocation of sulfur dioxide allowances under subsections (a)(1), unless the unit is subject to the provisions of subsections (g)(2) or (3) of section 414. New utility units may obtain allowances from sources other than those described in this section. The owner or operator of any new utility unit in violation of subsection (b)(1) or subsection(c)(3) shall be liable for fulfilling the obligations specified in section 406. 

(c) Prohibitions.—

(1) In General.—It shall be unlawful for any person to hold, use, or transfer any allowance allocated under this subpart, except in accordance with regulations promulgated by the Administrator. 

(2) Prohibition of Exceeding Unit Allowances.—For the year 1995 through 2007, it shall be unlawful for any affected unit to emit sulfur dioxide in excess of the number of allowances allocated for that year by the owner or operator of the unit. 

(3) Prohibition of Exceeding Source Allowances.—Starting January 1, 2008, it shall be unlawful for any person to allow a source to emit a total amount of sulfur dioxide during the year in excess of the number of allowances held for the source for that year by the owner or operator of the source. 

(4) Effect on Other Emission Limitations.—Upon the allocation of allowances under this subpart, the prohibition in paragraphs (a) and (b) shall apply to any other emission limitation applicable under this subpart to the units for which such allowances are allocated. 

(d) Limitation on Regulations.—In order to ensure electricity reliability, regulations establishing a system for issuing, recording, and tracking allowances under section 403(b) and this subpart shall not prohibit temporary increases and decreases in emissions within utility systems, power pools, or utilities entering into allowance pool agreements. The Administrator shall, in consultation with the Secretary of Energy, establish criteria for determining when the obligations of this subpart shall be suspended by the operator or the owner of the source. 

(2) Determination.—Not later than December 31, 1991, the Administrator shall determine the total tonnage of emissions in excess of the allowances of all utility units for the calendar year 1995 that will occur as a result of compliance with the emissions limitation requirements of this section and shall establish a reserve of allowances equal in amount to the number of tons determined thereby not to exceed a total of 3.50 million tons. In making such a determination, the Administrator shall compute for each unit subject to the emissions limitation requirements of this section the difference between—

(2) the product of its baseline multiplied by the lesser of each unit’s allowable 1985 emissions rate and its actual 1985 emissions rate, divided by 2,000; and

(b) the product of each unit’s baseline multiplied by 2.5 lbs/mmBtu divided by 2,000, and sum the computations. The Administrator shall adjust the foregoing calculation to reflect projected calendar year 1995 utilization of the units subject to the emissions limitations of this subpart that the Administrator finds would have occurred in the absence of the imposition of requirements. Pursuant to subsection (d), the Administrator shall allocate allowances from the reserve established hereunder until the total tonnage of emissions in excess of the allowances of all utility units in calendar year 1995 that will occur as a result of compliance with the emissions limitation requirements of this section is equal to the number of allowances in excess of the allowances of all utility units in calendar year 1995 that will occur as a result of compliance with the emissions limitation requirements of this subpart that the Administrator finds would have occurred in the absence of the imposition of requirements.
“(3) ADDITIONAL ALLOCATIONS.—In addition to allowances allocated pursuant to paragraph (1), in each calendar year beginning in 1995 and ending in 1999, the Administrator shall, for each unit included in section 404 permits, allocate to the reserve under paragraph (2) a number of allowances equal to 200,000 multiplied by the unit’s pro rata share of the total number of allowances allocated for all units on table A in the 3 States (other than units at Kyger Creek, Clifty Creek and Joppa Steam), allowances shall be excluded from the calculation of the reserve under paragraph (2).

(b) SUBSTITUTIONS.—The owner or operator of an affected unit under subsection (a) may include in its section 404 permit application a proposal for the transfer of the permitted allowances to another unit or units to which any part of the reduction of the unit’s baseline has been achieved by the original affected unit or units with such modifications or conditions as the Administrator may approve.

(c) ADMINISTRATOR’S ACTION ON SUBSTITUTION PROPOSALS.—(1) IN GENERAL.—The Administrator shall take final action on such substitution proposal in accordance with section 404(c) if the substitution proposal fulfills the requirements of subsection (a). The Administrator may approve a substitution proposal in whole or in part and with such modifications or conditions as may be consistent with the orderly and efficient operation of the allowance system and which will ensure the emissions reductions contemplated by this title. If a proposal does not meet the requirements of subsection (a), the Administrator shall disapprove the proposal.

(2) ISSUANCE OF PERMITS.—Upon approval of a substitution proposal, each substitute unit, and each source with such unit, shall be deemed to be included in the permit for this title, and the Administrator shall issue a permit for the original unit and substitute affected units in accordance with the approved substitution plan pursuant to subsection (a).

(3) ALLOCATION OF ADDITIONAL ALLOWANCES.—In addition to allowances specified in paragraph (4), the Administrator shall allocate to each eligible phase I extension unit employing qualifying phase I technology, for calendar years 1997, 1998 and 1999, additional allowances, from any remaining allowances to the extent of the lesser of the total annual emissions under paragraph (3), and the product of the unit’s baseline multiplied by an emission rate of 2.50 lbs/mmBtu, divided by 2,000.

(4) DEDUCTION FROM ANNUAL ALLOWANCE LIMITATION.—In order to determine the number of proposals eligible for allocations from the reserve under subsection (a)(2) and the number of the allowances remaining available in the reserve, the Administrator shall reduce the total number of allowances remaining available in the reserve by the number of allowances calculated under paragraphs (a)(1), (b), and (c) until no allowances remain available in the reserve for further allocation or all approved proposals have been acted upon. If no allowances remain available in the reserve for further allocation before all proposals have been acted upon by the Administrator, the proposal shall be disapproved.

(5) ALLOCATION OF INITIAL ALLOWANCES.—Each eligible unit shall receive a number of allowances to the extent of the lesser of the average annual emissions in calendar years 1988 and 1989 or its projected emissions tonnage for calendar year 1995 of each eligible phase I extension unit, from the allowance reserve created pursuant to subsection (a)(2), allowances equal to the difference between the lesser of the average annual emissions in calendar years 1988 and 1989 or its projected emissions tonnage for calendar year 1995 and the product of the unit’s baseline multiplied by an emission rate of 2.50 lbs/mmBtu, divided by 2,000.

(6) ALLOCATION OF ADDITIONAL ALLOWANCES.—In addition to allowances specified in paragraph (4), the Administrator shall allocate to each eligible phase I extension unit employing qualifying phase I technology, for calendar years 1997, 1998 and 1999, additional allowances, from any remaining allowances to the extent of the lesser of the total annual emissions under paragraph (3), and the product of the unit’s baseline multiplied by an emission rate of 2.50 lbs/mmBtu, divided by 2,000.
shall, in the calendar year following such excess, deduct allowances equal to the amount of such excess from such unit’s annual allowance allocation.

“(e) EARLY REDUCTIONS.—

“(1) IN GENERAL.—In the case of a unit that receives authorization from the Governor of the State in which such unit is located to make reductions in the emissions of sulfur dioxide prior to calendar year 1995 and that is part of a utility system that meets the following requirements—

“(A) the total coal-fired generation within the utility system as a percentage of total system generation decreased by more than 20 percent between January 1, 1985, and December 31, 1985; and

“(B) the weighted capacity factor of all coal-fired units within the utility system averaged over the period from January 1, 1985, through December 31, 1987, was below 50 percent, the Administrator shall allocate allowances under this paragraph for the unit pursuant to section 414 (but is not also an affected unit under this section) and part of a utility system that includes one or more affected units under section 414 for reductions in the emissions of sulfur dioxide made during the period 1995-1999 if the unit meets the requirements of this subsection and the requirements of the preceding sentence, except that for the purposes of applying this subsection to any such unit, the prior year concerned as specified below, shall be any year after January 1, 1995 but prior to January 1, 2000.

“(2) LIMITATIONS.—In the case of an affected unit under this section described in subparagraph (A), the allowances allocated under this subsection for early reductions in any prior year may not exceed the amount which (A) the product of the unit’s baseline emission rate (in lbs per mmBtu) applicable to the unit under a coal sales contract in effect before November 15, 1990, divided by 2,000 exceeds (B) the allowances specified for such unit in table A. In the case of an affected unit under section 414, the allowances awarded under this subsection for early reductions in any prior year may not exceed the amount by which—

“(A) the product of—

“(i) the quantity of fossil fuel consumed by the unit (in mmBtu) in the prior year multiplied by—

“(II) the lesser of—

“(I) 2.50; or

“(II) the most stringent emission rate (in lbs per mmBtu) applicable to the unit under the applicable implementation plan—

divided by 2,000 exceeds

“(B) the unit’s actual tonnage of sulfur dioxide emission for the prior year concerned. Allowances allocated under this subsection for units may be allocated only for emission reductions achieved as a result of physical changes or changes in the method of operation made after November 15, 1990, including changes in the type or quantity of fossil fuel consumed.

“(3) NO BASIS FOR EXCUSED NONPERFORMANCE.—In no event shall the provisions of this paragraph be interpreted as an event of force majeure or a commercial impracticability or in any other way as a basis for excused nonperformance by a utility system under a coal sales contract in effect before November 15, 1990.

"TABLE A—AFFECTED SOURCES AND UNITS IN PHASE I AND THEIR SULFUR DIOXIDE ALLOWANCES (TONS)"

<table>
<thead>
<tr>
<th>State</th>
<th>Plant name</th>
<th>Generator</th>
<th>Phase I allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>Colbert</td>
<td>1</td>
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<tr>
<td></td>
<td>E.C. Gaston</td>
<td>2</td>
<td>15,310</td>
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<tr>
<td></td>
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energy. The regulations under paragraph (4) of this subsection shall provide that for each ton of sulfur dioxide emissions avoided by an electric utility, during the applicable period, the use of qualified energy conservation measures or qualified renewable energy, the Administrator shall allocate a single allowance to such electric utility, on a first-come-first-served basis from the Conservation and Renewable Energy Reserve established under subsection (g), up to a total of 300,000 allowances for allocation from such Reserve.  

(ii) In the case of qualified energy conservation measures or qualified renewable energy, or both, are consistent with that plan.

(iii) Such electric utility has adopted and is implementing a least cost energy conservation and electric power plan which evaluates a range of resources, including new power supplies, energy conservation, and renewable energy resources, in order to meet expected future demand at the lowest system cost.

(iV) In the case of qualified energy conservation measures undertaken by a State regulated electric utility, the Secretary of...
Energy has certified that the State regulatory authority with jurisdiction over the electric rates of such electric utility has established rates and charges which ensure that the net income of such electric utility after implementation of specific cost effective energy conservation measures is at least as high as such net income would have been if the conservation measures had not been implemented. Upon the date of any such certification by the Secretary of Energy, all allowances which, but for this paragraph, would have been allocated under subparagraph (B) before such date, shall be allocated to the electric utility. This clause is not a requirement for qualified renewable energy conservation measures.

(v) Such utility or any subsidiary of the utility's holding company owns or operates at least one affected unit.

(C) Period of applicability. — Allowances under this subsection shall be allocated only with respect to kilowatt hours of electric energy saved by qualified energy conservation measures or generated by qualified renewable energy after January 1, 1992, and before the earlier of (i) December 31, 2000, or (ii) the date of electric utility steam generating unit owned or operated by the electric utility to which the allowances are allocated becomes subject to this part (including those sources that elect to become affected by this title, pursuant to section 417).

(D) Determination of avoided emissions. —

(i) Application. — In order to receive allowances under this subsection, an electric utility shall make an application which—

(I) designates the qualified energy conservation measures implemented and the qualified renewable energy sources used for purposes of paragraph (II);

(II) calculates, in accordance with subparagraphs (F) and (G), the number of tons of emissions avoided by reason of the implementation of such measures or the use of such renewable energy sources; and

(III) demonstrates that the requirements of subparagraph (B) have been met.

(ii) Approval. — Such application for allowances by a State-regulated electric utility shall require approval by the State regulatory authority with jurisdiction over such electric utility prior to the application for accuracy and compliance with this subsection and the rules under this subsection. Utilities whose baselines are not subject to the jurisdiction of a State regulatory authority shall apply directly to the Administrator for such approval.

(E) Avoided emissions from qualified energy conservation measures. — For the purposes of this subsection, the emission tonnes deemed avoided by reason of the implementation of qualified energy conservation measures for any calendar year shall be a tonnage equal to the product of multiplying—

(i) the kilowatt hours that would otherwise have been supplied by the utility during such year in the absence of such qualified energy conservation measures, by

(ii) 0.004, and dividing the product so derived by 2,000.

(F) Avoided emissions from the use of qualified renewable energy. — The emissions tonnage deemed avoided by reason of the use of qualified renewable energy by an electric utility for any calendar year shall be a tonnage equal to the product of multiplying—

(i) the actual kilowatt hours generated by, or purchased from, qualified renewable energy by the utility during such year, by

(ii) 0.004, and dividing the product so derived by 2,000.

(G) Prohibitions. —

(i) No allowances shall be allocated under this subsection for the implementation of programs that are exclusively informational or educational in nature.

(ii) No allowances shall be allocated for energy conservation measures or renewable energy that were operational before January 1, 1992.

(3) Savings provision. — Nothing in this subsection precludes a State or State regulatory authority from providing additional incentives to encourage investment in demand-side resources.

(4) Regulations. — The Administrator shall implement this subsection under section 414 to encourage investments in demand-side resources.

SEC. 414. PHASE II SULFUR DIOXIDE REQUIREMENTS.

(a) Applicability. —

(i) Basic phase II allowance allocations. — After January 1, 2000, each existing utility unit as provided below is subject to the limitations or requirements of this section. Each existing utility unit subject to an annual sulfur dioxide tonnage emission limitation under this section is an affected unit under this part.

(1) Phase I allocations. — In addition to basic phase II allowances allocated for each unit listed on table A in section 413 (other than units at Kyger Creek, Clifty Creek, and Joppa Stream) and located in the States of Illinois, Indiana, Ohio, Georgia, Missouri, Pennsylvania, West Virginia, Kentucky, and Tennessee, allocations in an amount equal to 50,000 multiplied by the unit’s pro rata share of the total number of basic allowances allocated for all units listed on table A (other than units at Kyger Creek, Clifty Creek, and Joppa Stream) and section 415.

(ii) Phase II bonus allocations. — In addition to basic phase II allotments and phase II bonus allocations, beginning January 1, 2000, the Administrator shall allocate up to 530,000 phase II bonus allocations to units listed in table A in section 413 (other than units at Kyger Creek, Clifty Creek, and Joppa Stream) and located in the States of Illinois, Indiana, Ohio, Georgia, Missouri, Pennsylvania, West Virginia, Kentucky, and Tennessee allocations in an amount equal to 50,000 multiplied by the unit’s pro rata share of the total number of basic allowances allocated for all units listed on table A (other than units at Kyger Creek, Clifty Creek, and Joppa Stream). Allocations allocated pursuant to this paragraph are subject to the 8,900,000 ton limitation in section 412(a).

(iii) Units equal to, or above, 75 MWe and 1.20 lbs/mmBtu. — (A) Basic phase II allocation. — Except as otherwise provided in paragraph (3), after January 1, 2000, it shall be unlawful for any existing utility unit that owns a generator with a nameplate capacity of 75 MWe or more to emit more sulfur dioxide emissions than an amount equal to, or greater than, 75 MWe and an actual 1985 emission rate equal to or greater than 1.20 lbs/mmBtu to exceed an annual sulfur dioxide tonnage emission limitation equal to the product of the unit’s baseline multiplied by an emission rate equal to 1.20 lbs/mmBtu, divided by 2,000, unless the owner or operator of such unit shall allocate annually for each unit subject to the emissions limitation requirements of this paragraph (1) with an actual 1985 emissions rate equal to or greater than 1.20 lbs/mmBtu and a baseline capacity factor of less than 60 percent, allowances.
from the reserve created pursuant to subsection (a)(2) in an amount equal to 1.20 lbs/mmBtu multiplied by 50 percent of the difference, on a Btu basis, between the unit’s baseline fuel consumption and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu (excluding units subject to section 111 of the Act or to a federally enforceable limitations for sulfur dioxide equivalent to an annual rate of less than 0.60 lbs/mmBtu). The unit is owned by a utility operating company whose aggregate nameplate fossil fuel steam-electric capacity is, as of December 31, 1989, less than 250 MWe and an actual 1985 emission rate is less than 0.60 lbs/mmBtu.

(2) STEAM-ELECTRIC CAPACITY LESS THAN 250 MWe.—After January 1, 2000, it shall be unlawful for any existing unit with a nameplate capacity of less than 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu to exceed an annual sulfur dioxide emissions limitation equal to the product of its baseline multiplied by an emissions rate of 2.5 lbs/mmBtu, divided by 2,000, unless the owner or operator holds allowances to emit not less than the total annual emissions of all affected units at the source.

(3) STEAM-ELECTRIC CAPACITY BETWEEN 250 AND 490 MWe.—After January 1, 2000 it shall be unlawful for any existing unit with a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu which became operational on or before December 31, 1989, and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu to exceed an annual sulfur dioxide emissions limitation equal to the product of its baseline multiplied by an emissions rate of 2.5 lbs/mmBtu, divided by 2,000, unless the owner or operator of such unit holds allowances to emit not less than the total annual emissions of all affected units at the source.

(4) ANNUAL ALLOWANCE ALLOCATIONS.—After January 1, 2000 it shall be unlawful for any existing unit with a nameplate capacity of more than 30,000,000 kw in 1988 and for which was issued a prohibition order or a proposed prohibition order (from burning oil), which unit subsequently converted to coal between January 1, 1980, and December 31, 1985, allowances equal to the difference between the product of the unit's annual sulfur dioxide emissions and its baseline capacity factor multiplied by the lesser of its actual or allowable 1985 emissions rate, for a year after 2007, or the owner or operator of the source that includes such unit holds allowances to emit not less than the total annual emissions of all affected units at the source.

(5) Fossil-Fuel-Generation Systems.—In addition to allowances allocated pursuant to paragraph (1) and section 412(a) as basic phase II allocation, beginning January 1, 2000, and after January 1, 2006, inclusive, the Administrator shall allocate annually for each unit subject to the emissions limitation requirements of this paragraph to exceed an annual emissions limitation equal to the product of its baseline multiplied by an emissions rate of 1.20 lbs/mmBtu, divided by 2,000, unless the owner or operator holds allowances to emit not less than the total annual emissions of all affected units at the source.

(6) RESERVE ALLOWANCE.—After January 1, 2000, it shall be unlawful for any existing unit with a nameplate capacity of less than 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu to exceed an annual sulfur dioxide emissions limitation equal to the product of its baseline multiplied by an emissions rate of 2.5 lbs/mmBtu, divided by 2,000, unless the owner or operator holds allowances to emit not less than the total annual emissions of all affected units at the source.

(7) Ferm and Certain Electric Utility Systems.—After January 1, 2000, it shall be unlawful for any existing unit with a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu which is part of an electric utility system which includes large units (greater than 400 MWe) that have a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu and a baseline capacity factor of less than 60 percent.

(8) Certain Electric Utility Systems.—After January 1, 2000, it shall be unlawful for any existing unit with a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu which is part of an electric utility system which includes large units (greater than 400 MWe) that have a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu and a baseline capacity factor of less than 60 percent.

(9) Certain Electric Utility Systems.—After January 1, 2000, it shall be unlawful for any existing unit with a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu which is part of an electric utility system which includes large units (greater than 400 MWe) that have a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu and a baseline capacity factor of less than 60 percent.

(10) Certain Electric Utility Systems.—After January 1, 2000, it shall be unlawful for any existing unit with a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu which is part of an electric utility system which includes large units (greater than 400 MWe) that have a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu and a baseline capacity factor of less than 60 percent.

(11) Certain Electric Utility Systems.—After January 1, 2000, it shall be unlawful for any existing unit with a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu which is part of an electric utility system which includes large units (greater than 400 MWe) that have a nameplate capacity below 75 MWe and an actual 1985 emission rate equal to, or greater than, 1.20 lbs/mmBtu and a baseline capacity factor of less than 60 percent.
adjusted to reflect operation at a 60 percent capacity factor, divided by 2,000, exceeds
(ii) the number of allowances allocated for the period pursuant to (i) and section 412(a)(1) as basic phase II allocation
equal to the product of the lesser of the unit's actual 1985 emissions rate or its allowable 1985 emissions rate multiplied by the unit's baseline adjusted to reflect operation at a 60 percent capacity factor, divided by 2,000; exceeds

(ii) the number of allowances allocated for the period pursuant to (i) and section 412(a)(1) as basic phase II allocation.

(B) UNITS SUBJECT TO CERTAIN LIMITATIONS.—In addition to allowances allocated pursuant to paragraph (2) and section 412(a) as basic phase II allocation allocations, at the election of the designee representative of the operating company, beginning January 1, 2000, and for calendar years 2000 and after until and including 2009, the Administrator shall allocate annually for each unit subject to the emissions limitation requirements of this subsection the baseline emissions allowances pursuant to paragraph (2) allowances from the reserve created pursuant to subsection (a)(2) in an amount equal to the amount by which—

(1) the product of the lesser of the unit's actual 1985 emissions rate or its allowable 1985 emissions rate multiplied by the unit's baseline adjusted to reflect operation at a 60 percent capacity factor, divided by 2,000; exceeds

(2) THE ADDITIONAL ALLOCATION.—In addition to allowances allocated pursuant to paragraph (1) as basic phase II allocation allocations and section 412(a), beginning January 1, 2000, the Administrator shall, in the case of any unit operated by a utility that furnishes electricity, electric energy, steam, and natural gas within an area consisting of a city and 1 contiguous county, the Administrator shall allocate for the unit allowances to emit not less than the total annual emissions of all affected units at the source.

(K) UNITS THAT COMMENCE COMMERICAL OPERATION BETWEEN 1986 AND DECEMBER 31, 1990.—

(1) In general.—After January 1, 2000, it shall be unlawful for any oil- and gas-fired unit that has completed conversion from a predominantly gas fired existing operation to a coal fired operation between January 1, 1985, and December 31, 1987, for which there has been allocated a proposed or final prohibition order pursuant to section 301(b) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301 et seq., repealed 1987) to exceed an annual sulfur dioxide emissions limitation equal to the product of the unit's annual fuel consumption, on a Btu basis, at the lesser of the unit's allowed 1985 sulfur dioxide emission rate (converted, if necessary, to pounds per mmBtu), divided by 2,000, unless the owner or operator of such unit holds allowances to emit not less than the total annual emissions of all affected units at the source.

(2) Unit allowances.—After January 1, 2000, the Administrator shall allocate allowances pursuant to section 411 to each unit which is listed in table B of this paragraph in an annual amount equal to the amount specified in table B.

TABLE B

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<th>Unit</th>
<th>Alliances</th>
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| Brandon Shores | 8,903 |
| Miller 4     | 9,197 |
| WP One       | 4,100 |
| Zimmer 1     | 18,458 |
| Space 1      | 1,647 |
| Closer 1     | 2,216 |
| Closer 2     | 1,190 |
| Twin Oak 2   | 2,103 |
| Lake 3       | 6,401 |
| Monticello   | 1,715 |

Notwithstanding any other paragraph of this subsection, provided that the owner or operator of a unit listed on table B may elect an allocation of allowances under another paragraph of this subsection in lieu of an allocation under this paragraph.

(C) an electric utility has issued a letter of intent or similar instrument committing to
to purchase power from the facility at a previously offered or lower price and a power sales agreement is executed within a reasonable period of time; or

(2) the bidders has been selected as a winning bidder in a utility competitive bid solicitation.

(b) OIL AND GAS-FIRED UNITS LESS THAN 10 PERCENT OIL CONSUMED.—

(1) In general.—After January 1, 2000, it shall be unlawful for any oil- and gas-fired utility unit whose average annual fuel consumption between 1980 through 1989 on a Btu basis exceeded 90 percent in the form of natural gas to exceed an annual sulfur dioxide emission rate equal to the product of the unit’s baseline multiplied by the unit’s actual 1985 emissions rate divided by 2,000, unless the owner or operator of such unit holds allowances to emit not less than the unit’s total annual emissions for a year after 2007, or the owner or operator of the source that includes such unit holds allowances to emit not less than the total annual emissions of all affected units at the source.

(2) Reserve allowances.—In addition to allowances allocated pursuant to paragraph (1) and annual phase I allowance allocations, beginning January 1, 2000, and for each calendar year thereafter until and including 2009, the Administrator shall allocate annually for each unit subject to the emissions limitation requirements of paragraph (1) allowances from the reserve created pursuant to subsection (a)(2) in an amount equal to the difference between (i) the number of allowances that would be allocated for the unit pursuant to the emissions limitation requirements of subsection (b)(1) adjusted to reflect the unit’s annual average fuel consumption on a Btu basis for calendar years between 1980 and 1989 (inclusive) as elected by the owner or operator; and (ii) the number of allowances allocated pursuant to paragraph (1) and section 412(a) as basic phase II allowance allocations, upon January 1, 2010, the Administrator shall allocate annually for each unit subject to the emissions limitation requirements of paragraph (1) an amount equal to the product of the unit’s baseline multiplied by 0.005 lbs/MMBTU, divided by 2,000.

(3) Additional allowances.—In addition to allowances allocated pursuant to paragraph (1) and section 412(a) as basic phase II allowance allocations, beginning January 1, 2010, the Administrator shall allocate annually for each unit subject to the emissions limitation requirements of paragraph (1) and section 412(a) as basic phase II allowance allocations, upon January 1, 2010, the Administrator shall allocate annually for each unit subject to the emissions limitation requirements of paragraph (1) an amount equal to the product of the unit’s baseline multiplied by 0.005 lbs/MMBTU, divided by 2,000.

(4) Units in high growth states.—

(1) Annual allocations.—In addition to allowances allocated pursuant to this section and section 412(a) as basic phase II allowance allocations, beginning January 1, 2000, the Administrator shall allocate annually for each unit, subject to an emissions limitation requirement under this section, and located in a State that immediately after 1988 had an experienced a growth in population in excess of 25 percent between 1980 and 1988 according to State Population and Household Estimates, With Age, Sex, and Components of Change, 1981–1986 allocated by the United States Department of Commerce, and (B) had an installed electrical generating capacity of more than 30,000,000 kw in 1988, in an amount equal to the difference between—

(i) the number of allowances that would be allocated for the unit pursuant to the emissions limitation requirements of this section applicable to the unit adjusted to reflect the unit’s annual average fuel consumption on a Btu basis of any three consecutive calendar years between 1980 and 1989 (inclusive) as elected by the owner or operator; and

(ii) the number of allowances allocated for the unit pursuant to the emissions limitation requirements of this section:

Provided, That the number of allowances that would be allocated for the unit pursuant to this subsection shall not exceed an annual total of 40,000. If necessary, to meet allowance allocation imposed under this subsection the Administrator shall, pro rata, the additional allowances allocated to each unit pursuant to this subsection.

(5) Certain municipally owned power plants.—Beginning January 1, 2000, in addition to the allowances allocated pursuant to this section and section 412(a) as basic phase II allowance allocations, the Administrator shall allocate annually for each municipally owned oil and gas-fired utility unit with nameplate capacity equal to, or less than, 40 MWe, the lesser of whose actual or allowable emission rate in lbs/MMBTU.

(6) Units designated for purposes of section 414.—The Administrator may designate a unit as being eligible to be treated as a unit subject to section 414, that emits sulfur dioxide, may elect to designate that unit or source to become an affected unit under this subpart. An election shall be submitted to the Administrator for approval, along with a permit application and proposed compliance plan in accordance with section 414. The Administrator shall approve a designation that meets the requirements of this section, and such designated unit shall be allocated allowances, and an affected unit for purposes of this subpart.

(7) Establishment of baseline.—The baseline for a unit designated under this section shall be established by the Administrator by regulation, based on fuel consumption and operating data for the unit for calendar years 1985, 1986, and 1987, or if such data is not available, the Administrator may prescribe a baseline based on alternative representative data.

(8) Emission limitations.—

(1) Elections submitted before January 1, 2002.—For a unit for which an election, along with a permit application and compliance plan is submitted to the Administrator under paragraph (a) before January 1, 2002, annual emissions limitations for sulfur dioxide shall be equal to the product of the baseline multiplied by the lesser of the unit’s 1985 actual or allowable emission rate in lbs/MMBTU, or, if the unit did not operate in 1985, by the lesser of the unit’s actual or allowable emission rate for a calendar year after 1985 (as determined by the Administrator); divided by 2,000.

(2) Elections submitted after January 1, 2002.—For a unit for which an election, along with a permit application and compliance plan, is submitted to the Administrator under paragraph (a) on or after January 1, 2002, annual emissions limitations for sulfur dioxide shall be equal to the product of the baseline multiplied by the lesser of the unit’s 1985 actual or allowable emission rate in lbs/MMBTU, or, if the unit did not operate in 1985, by the lesser of the unit’s actual or allowable emission rate for a calendar year after 1985 (as determined by the Administrator); divided by 2,000.

(9) Allowances and permits.—The Administrator shall issue allowances to an affected unit under this section in an amount equal to the emissions calculated under subsection (c), in accordance with section 412. Such allowance may be used in accordance with, and shall be subject to, the provisions of section 412. Such allowances under this section shall be subject to the requirements of sections 404, 405, 406, and 412.

(10) Limitation.—Any unit designated under this section shall not transfer or bank allowances produced as a result of reduced utilization or shutdown, except that, such allowances may be transferred or carried forward for use in subsequent years to the extent that the reduced utilization or shutdown results from the replacement of thermal energy from the unit designated under this section, with thermal energy generated by any other unit or units subject to the requirements of this subpart, and the designated unit’s allowances are transferred or made available for use in such replacement unit or units. Incase may the Administrator allocate to a source designated under this section allowances in an amount equal to the emissions calculated from operation of the source in full compliance with the requirements of this Act. No such
allowances shall authorize operation of a unit in violation of any other requirements of this Act.

(1) IMPLEMENTATION.—The Administrator shall implement this section under 40 CFR part 74 (2002), amended as appropriate by the Administrator.

SEC. 418. AUCTIONS, RESERVE.

(a) SPECIAL RESERVE OF ALLOWANCES.—For purposes of establishing the Special Allowance Reserve, the Administrator shall withhold:

(1) 2.8 percent of the allocation of allowances for each year from 1995 through 1999 inclusive; and

(2) 15 percent of the basic phase 11 allowance allocation of allowances for each year beginning in the year 2000;

which would (but for this subsection) be issued for each affected unit at an affected source. The Administrator shall record such withholding for purposes of transferring the proceeds of the allowance sales under this subsection. The allowances so withheld shall be deposited in the Reserve under this section.

(2) AUCTION SALES.—(1) SUBACCOUNT FOR AUCTIONS.—The Administrator shall establish an Auction Subaccount in the Special Reserve established under this section. The Auction Subaccount shall contain allowances to be sold at auction under this section in the amount of 150,000 tons per year for each year from 1995 through 1999, inclusive and 250,000 tons per year for each year from 2000 through 2009, inclusive.

(2) ANNUAL AUCTIONS.—Commencing in 1995 and in each year thereafter until 2010, the Administrator shall conduct auctions at which the allowances referred to in paragraph (1) shall be offered for sale in accordance with regulations promulgated by the Administrator. The Administrator shall transfer the proceeds of the auctions referred to in paragraph (1) shall be offered for sale at auction in the amounts specified in Table C. The auction shall be open to any person. A person wishing to bid for such allowances shall submit (by a date set by the Administrator) to the Administrator (on a sealed bid schedule provided by the Administrator) offers to purchase specified numbers of allowances at specified prices. Such regulations shall specify that the auctioned allowances shall be allocated and sold on the basis of bid price, starting with the highest-priced bid and continuing until all allowances for sale at such auction have been allocated. The regulations shall not permit that a minimum price be set for the purchase of withheld allowances. The allowances purchased at the auction may be used for any purpose and at any time after the auction, subject to the provisions of this subpart and subpart 2.

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<th>Year of sale</th>
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<th>Advance auction</th>
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</thead>
<tbody>
<tr>
<td>1993</td>
<td>50,000</td>
<td>100,000</td>
</tr>
<tr>
<td>1994</td>
<td>50,000</td>
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<td>75,000</td>
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<td>2001</td>
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<td>2007</td>
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</tr>
<tr>
<td>2008</td>
<td>75,000</td>
<td>100,000</td>
</tr>
<tr>
<td>2009</td>
<td>75,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>

(3) PROCEEDS.—

(A) TRANSFER.—Notwithstanding section 3302 of title 31 of the United States Code or any other provision of law, within 90 days of receipt, the Administrator shall transfer the proceeds from the auction under this section, on a pro rata basis, to the owners or opera-
percent of the unit’s total heat input, and combusting no coal or coal-derived fuel, in any year during 1998 through 2002 or, for a unit that commenced operation on or after January 1, 2003, a unit designed to burn oil for more than 10 percent of the unit’s total heat input and not to combust any coal or coal-derived fuel.

(6) Unusual contingency. The term ‘unit account’ means an account in the Allowance Tracking System under section 403(c) established by the Administrator for any unit under section 403(a)(1) and (a)(2) amended as appropriate by the Administrator.

**SEC. 422. APPLICABILITY.**

(a) Provisions starting January 1, 2010, it shall be unlawful for the affected EGUs at a facility to emit a total amount of sulfur dioxide during the year in excess of the number of sulfur dioxide allowances held for such facility for that year by the owner or operator of the facility.

(b) ALLOWANCES HELD—Only sulfur diox-

ide allowances under section 425 shall be held in order to meet the requirements of sub-

section (a).

**SEC. 423. LIMITATIONS ON TOTAL EMISSIONS.**

For affected EGUs for 2010 and each year thereafter, the Administrator shall allocate the sulfur dioxide allowances under section 424.

**TABLE A—TOTAL SO2 ALLOWANCES ALLOCATED FOR EGUS**

<table>
<thead>
<tr>
<th>Year</th>
<th>SO2 allowances allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4,146,666</td>
</tr>
<tr>
<td>2011-2012</td>
<td>4,146,667</td>
</tr>
<tr>
<td>2013-2017</td>
<td>4,500,000</td>
</tr>
<tr>
<td>2018 and thereafter</td>
<td>3,000,000</td>
</tr>
</tbody>
</table>

**SEC. 424. EGU ALLOCATIONS.**

(a) In General.—Not later than 3 years before the commencement date of the sulfur dioxide allowance requirement of section 422, the Administrator shall promulgate regulations determining allocations of sulfur dioxide allowances for affected EGUs for each year during 2010 and thereafter. The regulations shall provide that:

(1) 93 percent of the total amount of sul-

fur dioxide allowances shall be allocated to fossil-fuel-fired affected EGUs under section 424 shall be allocated to units on

by the Administrator to individual EGUs as follows:

(A) For each unit account and each gen-

eral account in the Allowance Tracking Sys-

tem, the Administrator shall determine the total amount of sulfur dioxide allowances allo-

cated under subpart 1 for 2010 and there-

after that are recorded, as of December 31, 2008, in one or more of the databases established under subpart 1 of this title.

(B) For each unit account and each gen-

eral account in the Allowance Tracking Sys-

tem, the Administrator shall determine the total amount of sulfur dioxide allowances allo-

cated under subpart 1 of this title.

**SEC. 425. DISPOSITION OF SULFUR DIOXIDE ALLOWANCES ALLOCATED UNDER SUB-

PART 1.**

(a) REMOVAL FROM ACCOUNTS.—After allo-

cating allowances under section 424(a)(1), the Administrator shall transfer to affected unit accounts and general accounts in the Allow-

ance Tracking System under section 403(c) and from the Special Allowances Reserve under section 403(h) the sulfur dioxide al-

lowances allocated or deducted under subpart 1 for 2010 or later.

**SEC. 426. INCENTIVES FOR SULFUR DIOXIDE EMISSION CONTROL TECHNOLOGY.**

(a) Reserve.—The Administrator shall estab-

lish a reserve under subpart (A) consisting of sulfur dioxide allowances comprising 83,334 sulfur dioxide allowances for 2010, 83,333 sulfur dioxide allowances for 2011, and 83,333 sulfur dioxide allowances for 2012.

(b) APPLICATION.—Not later than 18 months after the enactment of the Clean Air Act of 2002, the Administrator shall promulgate regulations for the establishment of the Reserve.

**CONGRESSIONAL RECORD—SENATE**

January 24, 2005
than the allowance-to-emission-reduction paragraph (2) with a ratio equal to or less than 250,000 allowances that does not exceed 250,000 allowances as follows:

(1) For each unit, the Administrator shall multiply the allowance-to-emission-reduction ratio by the ratio for the unit under paragraph (4), the Administrator approved under subsection (c) by the lessor of:

(A) the total tonnage of sulfur dioxide emissions monitored at a location at the unit upstream of the control technology, during the period starting with the commencement of operation of the sulfur dioxide control technology under subparagraph (b)(1) through 2009, through use of such control technology; or

(B) the tonnage of sulfur dioxide emission reductions under paragraph (2).

(2) If the total amount of sulfur dioxide allowances determined for all units under paragraph (1), the Administrator shall multiply 250,000 allowances by the ratio of the amount of sulfur dioxide allowances determined for each unit under paragraph (1) to the total amount of sulfur dioxide allowances determined for all units under paragraph (1).

(3) The Administrator shall allocate to each affected EGU the amount of allowances determined for that unit under paragraph (1) or, if the total amount of sulfur dioxide allowances determined for all units under paragraph (2) is less than the amount of allowances under paragraph (2). The Administrator shall allocate to the facilities under section 424 paragraphs (1) and (2) on a pro rata basis (using any unallocated allowances under those paragraphs) any unallocated allowances under this paragraph.

Subpart 3—Western Regional Air Partnership

SEC. 431. DEFINITIONS.

For purposes of this subpart—

(1) Adjusted baseline heat input. The term ‘adjusted baseline heat input’ means the average annual heat input used by a unit during the three years in which the unit had the highest heat input for the period from the eighth through the fourth year before the first covered year.

(2) Affected EGU. The term ‘affected EGU’ means an affected EGU under subpart 2 that is in a WRAP State and that—

(A) in 2000, emitted 100 tons or more of sulfur dioxide and was used to produce electricity for sale; or

(B) in any year after 2000, emits 100 tons or more of sulfur dioxide and is used to produce electricity for sale.

(3) Coal-fired. The term ‘coal-fired’ with regard to a unit means, for purposes of section 434, a unit combusting coal or any coal-derived fuel alone or in combination with any amount of any other fuel in any year during the period from the eighth through the fourth year before the first covered year.

(4) Covered year. The term ‘covered year’ means—

(A)(i) the third year after the year 2018 or later when the total annual sulfur dioxide emissions of all affected EGUs in the WRAP States first exceed 271,000 tons; or

(ii) the third year after the year 2018 or later when the Administrator determines by regulation that the total annual sulfur dioxide emissions of all affected EGUs in the WRAP States are reasonably projected to exceed 271,000 tons in any year thereafter.

(B) each year after the covered year under subparagraph (A).

(5) Oil-fired. The term ‘oil-fired’ with regard to a unit means, for purposes of section 434, a unit combusting fuel oil for more than 10 percent of the unit’s total heat input, and combusting no coal or coal-derived fuel, and any year during the period from the eighth through the fourth year before the first covered year.

(6) WRAP State. The term ‘WRAP State’ means Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah, and Wyoming.

SEC. 432. APPLICABILITY.

(a) Prohibition. Starting January 1 of the first covered year, it shall be unlawful for any affected EGUs to emit a total amount of sulfur dioxide during the year in excess of the number of sulfur dioxide allowances held for such facility for that year by the owner or operator of the facility.

(b) Allowances Halted. Only sulfur dioxide allowances under section 433 shall be held in order to meet the requirements of subsection (a).

SEC. 433. LIMITATIONS ON TOTAL EMISSIONS.

For affected EGUs, the total amount of sulfur dioxide allowances that the Administrator shall allocate for each covered year under section 434 shall equal 271,000 tons.

SEC. 434. EGU ALLOCATIONS.

(a) In General. By January 1 of the year before the first covered year, the Administrator shall promulgate regulations determining, for each covered year, the allocations of sulfur dioxide allowances for the facility that is specified in WRAP States as of December 31 of the fourth year before the covered year by—

(i) for such units as the facility that are coal-fired, multiplying the number of tons of coal or coal-derived fuel combusted by the unit in 2001 if the unit is combusting fuel in accordance with paragraph (1) and operating the sulfur dioxide control technology specified in paragraph (1), a specified tonnage of sulfur dioxide emission reductions during the period the unit will combust Eastern bituminous at a percentage of the unit’s total heat input equal to or exceeding 10 percent of total heat input combusted by the unit in 2001 if the unit is allocated the sulfur dioxide allowances requested under paragraph (4). The owner or operator shall provide the control technology specified in paragraph (1) through 2009, the unit will utilize a single stack, and one or more units are not subject to such standards, separate monitoring shall be required for each unit.

(iv) based on fuel use and fuel heat content data for the unit from fuel purchase or use records, if the unit was not required to report heat input during the year under section 435 and did not report to the Energy Information Administration; or

(v) based on fuel use and fuel heat content data for the unit from fuel purchase or use records, if the unit was not required to report heat input during the year under section 435 and did not report to the Energy Information Administration and the WRAP State.

(b) Affected EGU. The term ‘affected EGU’ means an affected EGU under subpart 2 that is in a WRAP State and that—

(A) in 2000, emitted 100 tons or more of sulfur dioxide and was used to produce electricity for sale; or

(B) in any year after 2000, emits 100 tons or more of sulfur dioxide and is used to produce electricity for sale.
“(2) for such units at the facility that are oil-fired, multiplying 0.20 lb/mmBtu by the total adjusted baseline heat input of such units and converting to tons;”

“(3) for such units at the facility that are gas-fired, multiplying 0.29 lb/mmBtu by the total adjusted baseline heat input of such units and converting to tons;”

“(4) multiplying by 0.95 the allocation amount under section 433 by the ratio of the total of the amounts for all facilities under paragraphs (1), (2), and (3); and

“(b) A 5 percent of the total amount of sulfur dioxide allocations allocated under section 433 shall be allocated for units at a facility that are affected EGUs, but did not receive sulfur dioxide allocations under paragraph (4). These units shall be allocated allowances in accordance with paragraphs (1), (2), and (3).”

“(B) Allowances allocated under subparagraph (A) shall be allocated to units on a first come basis determined by date of unit commencement of construction, provided that such unit actually commences operation. Such units under subparagraph (A) will not be reduced as a result of new units commencing commercial operation after, and promulgating regulations under 40 CFR parts 76.6 and 76.7 (2002).

“(C) Allowances not allocated under subparagraph (B) shall be allocated to units in paragraphs (A) and (B) on a pro rata basis.”

“SEC. 441. NITROGEN OXIDES EMISSION REDUCTION.

“PART C—NITROGEN OXIDES CLEAR SKIES NITROGEN OXIDES EMISSION REDUCTIONS

 Subpart 1—Acid Rain Program

“SEC. 411. NITROGEN OXIDES EMISSION REDUCTION PROGRAM.

“(1) APPLICABILITY. On the date that a coal-fired utility unit becomes an affected unit under section 413 or 414, or on the date a unit subject to the provisions of section 413(d), must meet the NOX reduction requirements, each such unit shall become an affected unit subject to the requirements of this section and shall be subject to the emission limitations for nitrogen oxides set forth herein.

“(b) EMISSION LIMITATIONS.

“(1) The Administrator shall by regulation establish annual allowable emission limitations for nitrogen oxides for the types of utility boilers listed below, which shall not exceed the levels listed below: Provided, That the Administrator may set a rate higher than that listed for any type of utility boiler if the Administrator finds that the maximum listed rate for that boiler type cannot be achieved using low NOX burner technology. The Administrator shall promulgate regulations under 40 CFR part 76.5 (2002). The maximum allowable emission rates are as follows:

“(A) for tangentially fired boilers, 0.45 lb/mmBtu;”

“(B) for bottom wall-fired boilers (other than units applying cell burner technology), 0.50 lb/mmBtu. After January 1, 1999, the Administrator shall adjust such rates to account for advances in technology, costs and energy and environmental impacts; and which is comparable to the rates of nitrogen oxides control set pursuant to subpart A. After such determination is made, the Administrator may revise the applicable emission limitations for tangentially fired and dry bottom, wall-fired boilers (other than cell burners) to be more stringent if the Administrator determines that such units actually meet the applicable rate.

“(2) UTILITY BOILERS.

“The Administrator shall adopt, by regulation, allowable emission limitations on a lb/mmBtu, annual average basis, for nitrogen oxides for the following types of utility boilers:

“(A) wet bottom wall-fired boilers;

“(B) cyclones;

“(C) units applying cell burner technology; and

“(D) all other types of utility boilers.

“(b) BASIS OF ALLOWANCES.

“The Administrator shall base such rates on the degree of reduction achievable through the retrofit application of the best system of continuous emission control technology, costs and energy and environmental impacts; and which is comparable to the costs of nitrogen oxides controls set pursuant to subpart A. After such determination is made, the Administrator may revise the applicable emission limitations for tangentially fired and dry bottom, wall-fired boilers (other than cell burners) to be more stringent if the Administrator determines that such units actually meet the applicable rate.

“(c) ALTERNATIVE EMISSION LIMITATIONS.

“(1) The permitting authority shall, upon request of an owner or operator of a unit subject to the requirements of subsection (b)(1), adopt and promulgate for such unit an emission limitation less stringent than the applicable limitation established under subsection (b)(1) or (b)(2) upon a determination that—

“(A) the unit does not meet the applicable rate under paragraph (b)(1) or (b)(2) upon a determination that—

“(B) the Btu-weighted average annual emission rate for the following types of utility boilers:

“(A) a unit subject to subsection (b)(2) can meet the applicable rate under paragraph (b)(2) and the permitting authority shall issue operating permits for such units, in accordance with section 404 and title V, that allow alternative contemporaneous annual emission limitations. Such emission limitations shall only remain in effect while both units continue operation under the conditions specified in their respective operating permits. The Administrator shall implement this subsection under 40 CFR part 76.5 (2002).”

“SEC. 442. TERMINATION.

“Starting January 1, 2008, the owner or operator of an affected unit or affected facility that has applied for a certificate of compliance with the Clear Skies Nitrogen Oxides Allowance Program under section 441 is subject to the requirements of that section.”

“Subpart 2—Clear Skies Nitrogen Oxides Allowance Program

“SEC. 451. DEFINITIONS.

“(c) For purposes of this subpart:

“(1) AFFECTED EGU. The term ‘affected EGU’ means—

“(A) for a unit serving a generator before the date of enactment of the Clean Skies Act of 2005, a unit in a State serving a generator with a nameplate capacity of greater than 25 megawatts that produces or produces electric energy for sale during 2002. The term ‘affected EGU’ also means, except for a cogeneration unit that meets the criteria for qualifying for a cogeneration facilities codified in section 292.205 of the Code of Federal Regulations as issued on April 1, 2002 and each year thereafter; and

“(B) for a unit commencing service of a generator on or after the date of enactment of the Clean Skies Act of 2005, a unit in a State serving a generator that produces electricity for sale during any year starting with the calendar year 2002 of the owner, except for a gas-fired unit serving one or more generators with total nameplate
capacity of 25 megawatts or less, or a cogeneration unit that meets the criteria for qualifying for a cogeneration facilities codified in section 292.205 of title 18 of the Code of Federal Regulations as issued on April 3, 2002, during each year starting with the year the plant commences service of a generator.

(C) EXCLUSION.—Notwithstanding paragraphs (A) and (B), the term ‘affected EGU’ does not include a solid waste incineration unit subject to section 129 or a unit for the treatment, storage, or disposal of hazardous waste subject to section 3005 of the Solid Waste Disposal Act.

(2) Adjusted baseline heat input.—The term ‘adjusted baseline heat input’ with respect to a unit means, for purposes of allocating nitrogen oxides allowances in a particular year under this subpart, the unit baseline heat input determined by subtracting, with respect to a facility, the following from the facility’s heat input for the previous year:

(A) 1.0 for affected coal-fired units for 2008 and each year thereafter;

(B) 0.55 for affected oil- and gas-fired units located in a Zone 1 State for years 2008 through 2017 inclusive;

(C) 0.8 for affected oil- and gas-fired units located in a Zone 1 State for 2008 and each year thereafter;

(D) 0.4 for affected oil- and gas-fired units located in a Zone 2 State for 2008 and each year thereafter.

(3) Combustion limitation on nitrogen oxides emissions rate.—The term ‘combustion limitation on nitrogen oxides emissions rate’ means the most stringent Federal or State emissions limitation for nitrogen oxides that applies to the unit as of the date of enactment of this section.

(4) Zone 1 State.—The term ‘Zone 1 State’ means Alabama, Arkansas, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, the fine grid portion (as defined in section 51.121 of title 40, Code of Federal Regulations (as in effect for 2002)) of Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas east of Interstate 35, Vermont, Virginia, West Virginia, and Wisconsin.

(5) Zone 2 State.—The term ‘Zone 2 State’ means American Samoa, Arizona, California, Colorado, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, Hawaii, Idaho, Kansas, the coarse grid portion (as defined in section 51.121 of title 40, Code of Federal Regulations (as in effect for 2002)) of Missouri, Montana, Nebraska, North Dakota, New Mexico, Nevada, Oklahoma, Oregon, South Dakota, Texas west of Interstate 35, Utah, the Virgin Islands, Washington, and Wyoming.

SEC. 452. APPLICABILITY.

(a) Zone 1 Prohibition.—

(1) IN GENERAL.—Starting January 1, 2008, it shall be unlawful for the affected EGUs at a facility in a Zone 1 State to emit a total amount of nitrogen oxides during a year in excess of the number of nitrogen oxides allowances held for such facility for that year by the owner or operator of the facility.

(2) LIMITATION.—Only nitrogen oxides allowances under section 452(a) shall be held in order to meet the requirements of paragraph (1), except as provided under section 465.

(b) Zone 2 Prohibition.—

(1) IN GENERAL.—Starting January 1, 2008, it shall be unlawful for the affected EGUs at a facility in a Zone 2 State to emit a total amount of nitrogen oxides during a year in excess of the number of nitrogen oxides allowances held for such facility for that year by the owner or operator of the facility.

(2) LIMITATION.—Only nitrogen oxides allowances under section 452(b) shall be held in order to meet the requirements of paragraph (1).

SEC. 453. LIMITATIONS ON TOTAL EMISSIONS.

(a) Zone 1 Allocations.—For affected EGUs in the Zone 1 States for 2008 and each year thereafter, the Administrator shall allocate nitrogen oxides allowances under section 453(a) as specified in table A.

(b) Zone 2 Allocations.—For affected EGUs in the Zone 2 States for 2008 and each year thereafter, the Administrator shall allocate nitrogen oxides allowances under section 453(b) as specified in table B.

(c) Allocation formula for Zone 2 States.—

(1) EPA REGULATIONS.—Not later than 18 months before the date of enactment of this section, the Administrator shall promulgate rules determining the calculation of nitrogen oxide allowances for 2008 and each subsequent year for units at a facility in a Zone 1 State that are affected EGUs as of the date of enactment of this section.

(2) FORMULA FOR ALLOCATION.—Any nitrogen oxide allowances remaining after the allocation of allowances under subparagraph (A) shall be distributed on a pro rata basis among the units that received nitrogen oxide allowances under that subparagraph and paragraphs (2) and (3).

SEC. 454. EGUS ALLOCATED IN THE ZONE 1 STATES.

(A) EPA ALLOCATIONS IN THE ZONE 1 STATES.

(1) EPA REGULATIONS.—Not later than May 1, 2008, the Administrator shall promulgate rules determining the calculation of nitrogen oxide allowances for affected units for 2008, and each year thereafter, in the Zone 1 States.

(2) ADDITIONAL REMAINING ALLOWANCES.—Any nitrogen oxide allowances remaining after the allocation of allowances under subparagraph (A) shall be distributed on a pro rata basis among the units that received nitrogen oxide allowances under that subparagraph.

(3) ADDITIONAL REMAINING ALLOWANCES.—Any nitrogen oxide allowances remaining after the allocation of allowances under subparagraph (A) shall be distributed on a pro rata basis among the units that received nitrogen oxide allowances under that subparagraph.

(b) Additional Allocations.—Notwithstanding paragraph (1), subparagraph (E), the regulations promulgated under paragraph (1) shall specify that the allocation of nitrogen oxide allowances for a multi-unit facility required to submit a single report to the Administrator under paragraph (A) for each year shall be the product obtained by multiplying—

(i) the base nitrogen oxide emission rate of the units at the facility; bears to

(ii) the total quantity of the adjusted baseline heat input of the units at the facility; bears to

(b) the total quantity of adjusted baseline heat input to all affected EGUs in the Zone 1 States; and

(c) the quotient obtained by dividing the allowable nitrogen oxide emissions rate of the affected unit by 1.200.
(b) EGU ALLOCATIONS IN THE ZONE 2 STATES.—

(1) EPA REGULATIONS.—Not later than 18 months before the date on which the nitrogen oxides allowance requirement under section 452 takes effect, the Administrator shall promulgate regulations determining the allocation of nitrogen oxides allowances for 2008 and each subsequent year for units at a facility in a Zone 2 State that are affected EGUs as of the date of enactment of this section.

(2) FORMULA FOR ALLOCATION.—

(A) IN GENERAL.—Subject to subparagraph (B) and paragraph (3), the regulations shall specify that the allocation of nitrogen oxide allowances for each unit referred to in paragraph (1) for each year shall be the product obtained by multiplying—

(i) the product of 0.95 and the allocation amount under section 453(b); and

(ii) the ratio that—

(I) the total quantity of the adjusted baseline heat input of the units at the facility; bears to

(II) the total quantity of adjusted baseline heat input to all affected EGUs in the Zone 2 States.

(B) MAXIMUM ALLOCATION.—Notwithstanding clause (i) and paragraph (3), no unit shall receive an allocation in excess of the product obtained by multiplying—

(i) the baseline heat input of the unit; and

(ii) the quotient obtained by dividing the allowable nitrogen oxides emissions rate of the unit by 2000.

(3) DISTRIBUTION OF REMAINING ALLOWANCES.—

(A) IN GENERAL.—Subject to paragraph (2)(B), any nitrogen oxide allowances remaining after the allocation of allowances under paragraph (1) shall be distributed on a pro rata basis among the units that received nitrogen oxide allowances under that paragraph.

(B) ADDITIONAL REMAINING ALLOWANCES.—Allowances remaining after each iteration of the calculation under subparagraph (A) as a result of the allocation under paragraph (2)(B) shall be allocated in accordance with subparagraph (A).

(4) SET-ASIDE FOR NEW UNITS.—

(A) IN GENERAL.—Subject to paragraph (2)(B), the regulations promulgated under paragraph (1) shall specify that the allocation of nitrogen oxide allowances for each unit year under section 453 shall be allocated at the earliest possible time after allocation regulations (as in effect for calendar year 2004); or

(B) FORMULA FOR ALLOCATION.—

(i) the emissions of each unit shall be compared to and reconciled with actual allocations to the unit under the regulations; and

(ii) each unit shall have not more than 280 days to submit allowances to the Administrator, without recompense, for any allowance shortfall (including submitted allowances obtained and held by any mechanism consistent with this Act, including direct sale).

SEC. 455. NITROGEN OXIDES EARLY ACTION REDUCTION CREDITS.—

(a) CREDITS.—Except as provided in subsection (e), the Administrator shall promulgate regulations that authorizing the allocation of nitrogen oxides allowances to units designated under this section that install or modify pollution control equipment or combustion technology improvements identified in such regulations after the date of enactment of this section and prior to January 1, 2008.

(b) EMIS SIONS REDUCTIONS.—No allowances shall be allocated under this section for emissions reductions that are—

(aa) attributed to pollution control equipment or combustion technology improvements that were operational at any time prior to the date of enactment of this section;

(bb) attributable to fuel switching;

(bi) required under any Federal or State regulation for the applicable year; or

(ii) made by a unit, subject to

(1) OZONE SEASON.

(A) with regard to Connecticut, Delaware, the District of Columbia, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island, the period May 1 through September 30 for each year starting in 2003; and

(B) with regard to all other States, the period May 1 through April 30 for each year starting in 2004 and thereafter.

(2) NON-OZONE SEASON.—The term ‘non-ozone season’ means—

(A) with regard to Connecticut, Delaware, the District of Columbia, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island, the period 1 through October 1, and

(B) with regard to all other States, the period October 1, 2003, through May 1, 2004, and the period October 1 through April 30 for each year starting in 2004 and for each year thereafter.

(3) NOx SIP call state.—The term ‘NOx SIP Call State’ means Connecticut, Delaware, the District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, and Washington, and the fine grid portions of Alabama, Georgia, Michigan, and Missouri.

(4) FINE GRID PORTIONS OF ALABAMA, GEORGIA, MICHIGAN, AND MISSOURI.—The term ‘fine grid portions of Alabama, Georgia, Michigan, and Missouri’ means the areas in Alabama, Georgia, Michigan, and Missouri subject to 40 CFR parts 51 and 52.

SEC. 462. GENERAL PROVISIONS.—

The provisions of sections 402 through 406 shall not apply to this subpart.
"SEC. 483. APPLICABLE IMPLEMENTATION PLAN.

(a) SIPs.—Except as provided in subsection (b), the applicable implementation plan for each NO\textsubscript{X} SIP Call State shall be considered to include requirements to ensure the NO\textsubscript{X} SIP Call State’s nitrogen oxides budget and compliance supplement pool, in sections 51.121 and 51.122 of title 40, Code of Federal Regulations (as in effect for calendar year 2004).

(b) REQUIREMENTS.—Notwithstanding any provision to the contrary in section 51.121 or 51.122 of title 40, Code of Federal Regulations (as in effect for calendar year 2004):

(1) IMPLEMENTATION PLAN.—The applicable implementation plan for each NO\textsubscript{X} SIP Call State shall in full implement the requirements of this Act.

(2) SUBJECT TO.—Subject to the requirements in a NO\textsubscript{X} SIP Call State’s applicable implementation plan, the right of any State or political subdivision to hold allowances under section 462 shall no longer be subject to the requirements or limitations applicable to holdings of the Administrator to promulgate implementing regulations following the first ozone season.

(3) NO\textsubscript{X} ALLOWANCE REQUIREMENT REDUCTIONS.

"SEC. 471. DEFINITIONS.

(1) Adjusted baseline heat input.—The term "adjusted baseline heat input" with regard to a unit means the unit’s baseline heat input multiplied by—

(A) 1.0, for the portion of the baseline heat input that is the unit’s average annual combustion of bituminous during the years on which the unit’s baseline heat input is based;

(B) 1.0, for the portion of the baseline heat input that is the unit’s average annual combustion of lignite during the years on which the unit’s baseline heat input is based; and

(C) 1.25, for the portion of the baseline heat input that is the unit’s average annual combustion of subbituminous during the years on which the unit’s baseline heat input is based;

"SEC. 465. CARRYFORWARD OF PRE-2008 NITROGEN OXIDES ALLOWANCES.

The Administrator shall promulgate regulations as necessary to assure that the requirements of section 452(a)(1) and (2) are met using nitrogen oxides allowances allocated for an ozone season before 2008 under a nitrogen oxides trading program that the Administrator administers, as included in a NO\textsubscript{X} SIP Call State’s applicable implementation plan, and meets the requirements of section 465 (a) and (b)(1)."

"SEC. 466. NON-ZONE SEASON VOLUNTARY ACTION CREDITS.

An affected facility that voluntarily elects to operate select catalytic reduction devices during NO\textsubscript{X} non-ozone season shall be credited, on a unit of credit basis, during the non-ozone season. The Administrator may promulgate regulations to authorize the sale of these credits to other facilities. The amount avoided will equal every ton of nitrogen oxides reduction below the allowable emission rate. The Administrator shall determine if any other existing NO\textsubscript{X} emission control devices are generally uneconomic to operate unless EGUS are provided incentives for these controls during the non-ozone season. If the Administrator finds that incentives using different control equipment are necessary to make the operation of these devices cost-effective, the Administrator shall specify these types of control devices and, for an affected facility with these specified devices, installed prior to enactment of this Act, the Administrator shall promulgate regulations as necessary to establish this NO\textsubscript{X} allowance credit program. Failure of the Administrator to promulgate regulations following the first ozone season shall not in any manner reduce the number of allowances an otherwise qualifying facility shall be credited upon promulgation of the regulations.

"PART D—MERCURY EMISSIONS REDUCTIONS

"SEC. 472. APPLICABILITY.

(1) For calendar year 2010, the emissions data for each facility for calendar years 2006—

(2) For calendar year 2011 and subsequent calendar years, the most recent calendar year for which emissions data are available.

"SEC. 473. LIMITATIONS ON TOTAL EMISSIONS.

For affected EGUs for 2010 and each calendar year thereafter, the Administrator shall allocate mercury allowances pursuant to section 474.

"TABLE A—TOTAL MERCURY ALLOWANCES ALLOCATED FOR EGUS

<table>
<thead>
<tr>
<th>Year</th>
<th>Mercury allowances allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2017</td>
<td>1,984,000</td>
</tr>
<tr>
<td>2018 and thereafter</td>
<td>480,000</td>
</tr>
</tbody>
</table>

"SEC. 474. EGU ALLOCATIONS.

(a) IN GENERAL.—Not later than 24 months before the commencement date of the mercury allowance requirement of section 472, the Administrator shall promulgate regulations determining allocations of mercury allowances for 2010 and thereafter for units at a facility that commenced commercial operation by and are affected EGUs as of date of enactment. The regulations shall provide that the Administrator shall allocate each year for such units an amount determined by multiplying by 0.95 the allocation amount in section 473 by the ratio of the total amount of the adjusted baseline heat input of such units at the facility to the total amount of adjusted baseline heat input of all affected EGUs.

(b) NEW FACILITIES.—5 percent of the total amount of nitrogen oxides allowances allocated each year under section 473 shall be allocated for facilities that commenced commercial operation after the date of enactment. These units shall be allocated allowances for each year by multiplying the allocation amount under section 473 by the ratio of the total amount of the adjusted baseline heat input of such units at the facility to the total amount of adjusted baseline heat input to all affected EGUs, including those covered in subsection (a). However, the regulations shall not allocate allowances to any affected unit in excess of the product of the unit’s baseline heat input multiplied by the unit’s allowable mercury emissions rate, divided by 2000.

"SEC. 475. ALLOCATION.—Allowances allocated under subsection (b) shall be allocated to units on a first come basis determined by date of unit commencement of construction, provided that such unit actually commences commercial operation. As such, allocations to units under subsection (b) will not be reduced as a result of new units commencing commercial operation.

"SEC. 476. UNALLOCATED ALLOWANCES.—Allowances not allocated under paragraph (2) shall be allocated to units in subsections (a) and (b) on a pro rata basis.

"SEC. 477. ALLOCATIONS.—For each year 2010 and thereafter, if the Administrator has not promulgated the regulations...
determining allocation under subsection (a)

(1) each affected unit shall comply with section 472 by providing annual notice to the permitting authority. Such notice shall also detail the amount of allowances the affected unit believes it has for the relevant year and the amount of mercury emissions for such year.

(2) upon promulgation of regulations under subsection (a) (determining the allocations for 2010 and thereafter), and promulgating regulations under section 403(c) providing for the transfer of mercury allowances and section 403(c) establishing an Allowance Transfer System for mercury allowances, each unit’s emissions shall be compared to and reconcile with its actual allocations under the promulgated regulation. Each unit will have nine (9) months to submit allowances to the Administrator, without regard to construction, means that an allowances to units designated under this section; attributable to fuel switching; and

(III) comply with recordkeeping and reporting requirements; and

(III) comply with alternative monitoring, quality assurance, recordkeeping, and reporting requirements for any period of time for which the Administrator determines that CEMS with appropriate vendor guarantees are not commercially available for particular units.

(3) COMPLIANCE.—For boilers, integrated gasification combined cycle plants, and coal fired or gas-fired combustion turbines the owner or operator demonstrate compliance with the standards daily, using a 30-day rolling period except that for combustion turbines that the compliance period shall be the calendar year. For combustion turbines that are oil-fired the Administrator shall require that the owner or operator demonstrate compliance with the standards hourly, using a 4-hour rolling average.

(4) BILLES AND INTEGRATED GASIFICATION COMBINED CYCLE PLANTS.

(1) IN GENERAL.—After the effective date of standards promulgated under subsection (b), no owner or operator shall cause any boiler or integrated gasification combined cycle plant that is a new affected unit to discharge into the atmosphere any gases which contain

(A) sulfur dioxide in excess of 2.0 lb/MWh;

(B) nitrogen oxides in excess of 1.0 lb/ MWh;

(C) particulate matter in excess of 0.20 lb/ MWh; or

(D) if the unit is coal-fired, mercury in excess of 0.015 lb/MWh, unless

(i) mercury emissions from the unit, determined assuming no use of on-site or off-site pre-combustion treatment of coal and no use of technology that captures mercury, are reduced by 90 percent;

(ii) if the unit is to discharge into the atmosphere any gases which contain

(A) sulfur dioxide in excess of 2.0 lb/MWh;

(B) nitrogen oxides in excess of 1.0 lb/ MWh;

(C) particulate matter in excess of 0.20 lb/ MWh; or

(D) if the unit is coal-fired, mercury in excess of 0.015 lb/MWh, unless

(i) mercury emissions from the unit, determined assuming no use of on-site or off-site pre-combustion treatment of coal and no use of technology that captures mercury, are reduced by 90 percent;

(ii) if the单位 is coal-fired, and SCR.

(b) MONITORING.—The term ‘reconstruction’ means the replacement of components of a unit that would be required to construct a comparable unit, and

(1) IN GENERAL.—No later than 12 months after the date of enactment of the Clean Skies Act of 2005, the Administrator shall promulgate regulations providing the standards in subsections (c) through (d) for the specified affected units and establishing requirements to ensure compliance with those standards, including monitoring, recordkeeping, and reporting requirements.

(2) MONITORING.—The term ‘reconstruction’ means the replacement of components of a unit that would be required to construct a comparable unit, and

(1) (A) the fixed capital cost of the new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable unit, and

(2) (B) it is technologically and economically feasible to meet the applicable standards set forth in this section.

(3) DISCHARGES.—After the effective date of standards promulgated under subsection (b), no owner or operator shall cause any oil-fired boiler that is an existing affected unit to discharge into the atmosphere any gases which contain particulate matter in excess of 0.20 lb/MWh.
(2) COAL-FIRED COMBUSTION TURBINES.—After the effective date of standards promulgated under subsection (b), no owner or operator shall cause any coal-fired combustion turbine that is a new affected unit to discharge into the atmosphere any gases which contain—

(A) sulfur dioxide in excess of 2.0 lb/MWh;

(B) nitrogen oxides in excess of—

(i) 0.289 lb/MWh (12 ppm at 15 percent oxygen), if the unit is not a simple cycle combustion turbine, is dual-fuel capable, and uses add-on controls; or

(ii) 1.01 lb/MWh (42 ppm at 15 percent oxygen), if the unit is a simple cycle combustion turbine, is dual-fuel capable, and uses add-on controls; or

is not a simple cycle combustion turbine and is located within 50 km of a class I area.

(3) COMBUSTION TURBINES THAT ARE NOT GAS-FIRED OR COAL-FIRED.—After the effective date of standards promulgated under subsection (b), no owner or operator shall cause any combustion turbine that is not gas-fired or coal-fired and that is a new affected unit to discharge into the atmosphere any gases which contain—

(A) sulfur dioxide in excess of 2.0 lb/MWh;

(B) nitrogen oxides in excess of—

(i) 0.289 lb/MWh (12 ppm at 15 percent oxygen), if the unit is not a simple cycle combustion turbine, is dual-fuel capable, and uses add-on controls; or

(ii) 1.01 lb/MWh (42 ppm at 15 percent oxygen), if the unit is a simple cycle combustion turbine, is dual-fuel capable, and uses add-on controls; or

does not use add-on controls.

(C) particulate matter in excess of 0.20 lb/ MWh.

(e) PERIODIC REVIEW AND REVISION.—

(1) IN GENERAL.—The Administrator shall, at least every eight years following the promulgation of standards under subsection (b), or review and, if appropriate, revise such standards to reflect the degree of emission limitation and control technology information evidence to be achievable through the application of the best system of emission reduction which (taking into account the cost of achieving such reduction and any nonair quality health and environmental impacts and energy requirements). When implementation and enforcement of any requirement of this Act indicate that emission limitations and percent reductions beyond those required by the standards promulgated under this section are achieved in practice, the Administrator shall consider the emission limitations and percent reductions achievable in practice.

(2) EXCEPTION.—Notwithstanding the requirements of paragraph (1) the Administrator may not review any standard promulgated under subsection (b) if the Administrator determines that such review is not appropriate in light of readily available information on the efficacy of such standard.

(f) EFFECTIVE DATE.—The standard promulgated pursuant to this section shall be effective upon promulgation.

(g) PERIODIC REVIEW AND REVISION.—

(1) IN GENERAL.—Each State may develop and submit to the Administrator a procedure for implementing and enforcing standards promulgated under this section for affected units in such State. If the Administrator finds the State procedure is adequate, the Administrator shall delegate to such State any authority the Administrator has under this Act to implement and enforce such standards.

(2) ENFORCEMENT.—Nothing in this subsection shall prohibit the Administrator from enforcing any standard promulgated under this section.

(h) VIOLATIONS.—After the effective date of standards promulgated under this section, it shall be unlawful for any owner or operator of any affected unit to operate such unit in violation of any standard, established by this section applicable to such unit.

(i) COORDINATION WITH OTHER AUTHORITIES.—For purposes of sections III(e), 113, 114, 115, and 120, in complying with the requirements of this Act, the first standard established pursuant to this section shall be treated in the same manner as a standard established under section 111 of the Clean Air Act as that standard is in effect under section 111 of that Act.

(j) STATE AUTHORITY.—Nothing in this section shall preclude or deny the right of any State or political subdivision thereof to adopt more stringent requirements for the control of emissions or standards relating to air quality, limitation, limitation, or standard relating to affected units, or other EGU's, that is more stringent than a regulation, requirement, limitation, or standard of the Administrator for this section or under any other provision of this Act.

(k) OTHER AUTHORITY UNDER THIS ACT.—Nothing in this section shall diminish the authority of the Administrator or a State to establish any other requirements applicable to affected units under any other authority of law, including the authority to establish for any air pollutant a national ambient air quality standard, except that no new affected units to standards under this section shall be subject to standards under section 111 of this Act.

SEC. 482. RESEARCH, ENVIRONMENTAL MONITORING, AND IMPLEMENTATION.

(a) PURPOSES.—The Administrator, in collaboration with the Secretary of Energy and the Secretary of the Interior, shall conduct a comprehensive program of research, environmental monitoring, and assessment to enhance scientific understanding of the human health and environmental effects of particulate matter and reactive nitrogen oxides, nitrogen oxides, mercury, and particulate matter from electric utility plants and from other sources. Such research shall provide updated information on the cost and feasibility of technologies. Such research and development shall provide updated information on the cost and feasibility of technologies. Such research and development shall—

(1) upgrade cost and performance models to include results from future electric generation and pollution control demonstrations by the Administrator and the Secretary of Energy;

(2) evaluate the overall environmental implications of the various technologies tested including the impact on the characteristics of coal combustion products;

(3) evaluate the potential of integrated gasification combined cycle to adequately control mercury;

(4) expand current programs by the Administrator to conduct research and develop new technologies for the cost-effective capture of mercury from coal-fired power plants and multi-pollutant control programs by the Administrator and multi-pollutant control programs by the Administrator and provide new real-time measurements of both speciated and total mercury and integrated compact CEMS that provide cost-effective real-time measurements of sulfur dioxide, nitrogen oxides, and mercury;

(5) expand current programs by the Administrator to conduct research and develop new technologies for the cost-effective capture of mercury from coal-fired power plants and in the implementation of reducing mercury in the biota owing to atmospheric depositions and the effects of fine particulate matter compounds related to electricity generation emissions as distinct from other fine particle sources; and

(6) improve understanding by way of a review of the literature, of methods for valuing human health and environmental benefits associated with fine particulate matter and mercury.

(c) INNOVATIVE CONTROL TECHNOLOGIES.—The Administrator shall collaborate with the Secretary of Energy to enhance research and development, and conduct new research that facilitates research into and development of innovative technologies to control sulfur dioxide, nitrogen oxides, mercury, and particulate matter at a lower cost by existing technologies. Such research and development shall provide updated information on the cost and feasibility of technologies. Such research and development shall provide updated information on the cost and feasibility of technologies. Such research and development shall—

(1) upgrade cost and performance models to include results from future electric generation and pollution control demonstrations by the Administrator and the Secretary of Energy;

(2) evaluate the overall environmental implications of the various technologies tested including the impact on the character-...
(7) characterize mercury emissions from low-rank coals, for a range of traditional control technologies, like scrubbers and selective catalytic reduction; and

(8) circumstance conditions, such as conditions that result from physical modification or controls for dry-bottom boilers.

(d) ENVIRONMENTAL ACCOUNTABILITY.—

(1) MONITORING AND ASSESSMENT.—The Administrator shall conduct a program of environmental standards and assessment to track on a continuing basis, changes in human health and the environment attributable to the emission reductions required under this Act. Such a program shall—

(A) develop and employ methods to routinely monitor, collect, and compile data on the status and trends of mercury and its transformation products in emissions from affected facilities, atmospheric deposition, surface water quality, and biological systems. Emphasis shall be placed on those methods that—

(i) improve the ability to routinely measure mercury in dry deposition processes;—

(ii) improve understanding of the spatial and temporal distribution of mercury deposition in order to determine source-receptor relationships and patterns of long-range, regional, and local deposition;—

(iii) include the monitoring of aggregate exposures and additive effects of methylmercury and other pollutants; and—

(iv) improve understanding of the effectiveness and cost of mercury emissions controls;

(B) modernize and enhance the national air quality and atmospheric deposition monitoring networks in order to cost-effectively expand and integrate, where appropriate, monitoring capabilities for sulfur, nitrogen, and mercury to meet the assessment and reporting requirements of this section;

(C) perform and enhance long-term monitoring of sulfur, nitrogen, and mercury, and parameters related to acidification, nutrient enrichment, and mercury bioaccumulation in freshwater and marine biota;

(D) maintain and upgrade models that describe the interactions of emissions with the atmosphere and resulting air quality implications and models that describe the response of ecosystems to atmospheric deposition;—

(E) assess indicators of ecosystems health related to sulfur, nitrogen, and mercury, including characterization of the causes and effects of such emissions as well as to air pollutants and evaluation of recovery.

(2) REPORTING REQUIREMENTS.—Not later than January 1, 2008, and not later than every five years, the Administrator shall provide a peer reviewed report to the Congress on the costs, benefits, and effectiveness of emission reduction programs under this title.

(A) The report under this subparagraph shall address the relative contribution of emission reductions from U.S. electricity generation under this title compared to the emission reductions from U.S. electricity generation wholly or partially within the State, if on the date of submission of a complete permit application and throughout a continuous period of three years immediately preceding such determinate area was in full compliance with all requirements of this Act, including but not limited to requirements for State Implementation Plans:

(3) for a reconstructed unit, prior to beginning operation, the unit must comply with the performance standards of the applicable control technology as defined in part C of title I for the pollutants whose hourly emissions will increase at the unit’s maximum capacity; and

(4) the State must provide for an opportunity for interested persons to comment on the Class I area protections and preconstruction requirements as set forth in this section.

(b) MAJOR SOURCE PRECONSTRUCTION REQUIREMENTS AND BEST AVAILABLE Retrofit CONTROL TECHNOLOGY REQUIREMENTS: APPLICABLE TO AFFECTED UNITS.

(i) MAJOR SOURCE EXEMPTION.—An affected unit shall be considered neither a major emitting facility or major stationary source nor a part of a major emitting facility or major stationary source, for purposes of compliance with the requirements of parts C and D of title I, and shall not otherwise be subject to the requirements of section 169A or 169B, for a period of 20 years after the date of enactment of this section. This applicability provision only applies to affected units that are part of the ambient air quality standards of section 481 or meet the following requirements within 3 years after the date of enactment of the Clean Skies Act of 2006:

(1) The owner or operator of the affected unit properly operates, maintains and repairs pollution control equipment to limit emissions of mercury and its transformation products in fish;

(2) the State must provide for an opportunity for interested persons to comment on the Class I area protections and preconstruction requirements as set forth in this section.

(c) MAJOR SOURCE EXEMPTION.—An affected unit shall be considered neither a major emitting facility or major stationary source nor a part of a major emitting facility or major stationary source, for purposes of compliance with the requirements of parts C and D of title I, and shall not otherwise be subject to the requirements of section 169A or 169B, for a period of 20 years after the date of enactment of this section. This applicability provision only applies to affected units that are part of the ambient air quality standards of section 481 or meet the following requirements within 3 years after the date of enactment of the Clean Skies Act of 2006:

(1) The owner or operator of the affected unit properly operates, maintains and repairs pollution control equipment to limit emissions of mercury and its transformation products in fish;

The term "affected unit" means any unit which is subject to emission limitations under subpart 2 of part B, subpart 2 of part C, or part D.

(2) CONSTRUCTION.—The term "construction" includes the construction of a new affected unit and the modernization of any affected unit.

(3) MODIFICATION.—The term "modification" means any physical change in the operation of, an affected unit that increases the maximum hourly emissions of any pollutant regulated under this Act above the maximum hourly emissions achievable at that unit during the five years prior to the change or that results in the emission of any pollutant regulated under this Act and not previously emitted.

(4) SAVINGS CLAUSE.—Nothing in this section shall preclude or deny the right of any State or political subdivision thereof to adopt to enforce any regulation, requirement, limitation, or standard relating to affected units that are more stringent than a regulation, requirement, limitation, or standard in effect under any other provision of this Act.".

SEC. 3. OTHER AMENDMENTS.

(a) TITLES I.—Title I of the Clean Air Act is amended as follows:

(1) In section 103 by repealing subparagraghs (E) and (F).

(2) In section 107(d)(4)(A)—

(A) by striking “or” at the end of clause (B); and—

(B) by striking the period at the end of clause (iii) and inserting “; or”;

(iii) by adding at the end the following:

(1) notwithstanding clauses (i) through (iii) and subsection (d)(3), if requested by a State, an area may be redesignated as transitional in the PM 2.5 or secondary ambient air quality standards or the 8-hour ozone national primary or secondary ambient air quality standard if—

(B) by adding at the end the following:

(1) the Administrator has performed air quality modeling and, in the case of an area that needs additional local control measures, the State has performed supplemental air quality modeling, demonstrating that the area will attain the applicable standard or standards not later than December 31, 2015;

(2) such modeling demonstration and all necessary local control and nonattainment planning and implementation into the State implementation plan not later than 1 year after the date of enactment of the Clear Skies Act of 2006; and

(3) the area has not made a determination not later than 180 days after the date of that approval;—

the national ambient air quality standards are achieved provided that interference with any program will be deemed not to occur, with respect to each nonattainment area or operator of the affected unit that ensures that the following require-
(3) In section 110 as follows:

(A) By amending clause (i) of subsection (a)(2)(D) by inserting “except as provided in subsection (q),” before the word “prohibiting.”

(B) By adding the following new subsections at the end thereof:

“(q) NONATTAINMENT PLANS.—

(i) IN GENERAL.—The Administrator shall, in reviewing, under subsection (a)(2)(D)(i), any plan with respect to affected units, with the requirements of section 129(d)(1)—

(A) consider, among other relevant factors, emissions reductions required to occur by the attainment date or dates of any relevant nonattainment areas in the other State or States;

(B) not require submission of plan provisions mandating emissions reductions from any affected unit, unless the Administrator determines that—

(i) emissions from such units may be reduced at least as cost-effectively as emissions reductions in the State or each other State from each other principal category of sources of the relevant pollutant, pollutants, or pre-cursors thereof, including industrial boilers and mobile sources, and any other category of sources that the Administrator may identify; and

(ii) reductions in emissions will improve air quality in the other State’s or States’ nonattainment areas at least as cost-effectively as in the State or each other State from each other principal category of sources of the relevant pollutant, pollutants, or pre-cursors thereof, to the maximum extent that a methodology is reasonably available to make such a determination;

(C) develop an appropriate peer reviewed methodology for making determinations under subparagraph (B) by December 31, 2006; and

(D) not require submission of plan provisions subjecting affected units, within the meaning of section 126(d)(1), to requirements with an effective date prior to December 31, 2014.

(ii) PROXIMITY.—In making the determination under clause (ii) of subparagraph (B) of this section, the Administrator shall consider the proximity of the source or sources to the other State or States and incorporate other source characteristics.

(iii) EFFECT ON REGULATIONS.—Nothing in paragraph (1) shall be interpreted to require revisions to the provisions of 40 CFR parts 51, 121 and 51, 122 (2001).

(f) TRANSITIONAL AREAS.—

(1) MAINTENANCE.—

(A) SUBMISSION OF INVENTORY AND ANALYSES.—Each area designated as transitional pursuant to section 107(d)(1) shall submit an updated emission inventory and an analysis of whether growth in emissions by major source categories or source miles traveled, will interfere with attainment by December 31, 2014.

(B) REVIEW.—No later than December 31, 2011, the Administrator shall review each transitional area’s maintenance analysis, and, if the Administrator determines that growth in emissions will interfere with attainment, by December 31, 2014, the Administrator shall consult with the State and determine what action, if any, is necessary to assure that attainment will be achieved by December 31, 2014.

(2) PREVENTION OF SIGNIFICANT DETRIMENT.—Each area designated as transitional pursuant to section 107(d)(1) shall be treated as an unenforceable area for purposes of the prevention of significant deterioration provisions of part C of this title.

(3) CONSEQUENCES OF FAILURE TO ATTAIN BY 2015.—No later than June 30, 2016, the Administrator shall determine whether each area designated as transitional for the 8-hour ozone NAAQS as of the date of enactment of this Act has attained that standard. If the Administrator determines that an area has not attained the standard, the area shall be subject to the requirements of section 110(a)(2)(D) after the date of enactment of this Act.

(4) FINDING FOR AFFECTED UNITS.—To the extent that any petition submitted under subsection (b) after the date of enactment of the Clean Skies Act of 2005 seeks a finding for an affected unit, then, notwithstanding any provision in subsections (a) through (c) to the contrary:

(A) The Administrator may not determine that affected units emit, or would emit, any air pollutant in violation of the prohibition of section 110(a)(2)(D)(i) unless that Administrator determines that—

(i) such emissions may be reduced at least as cost-effectively as emissions from each other principal category of sources of sulfur dioxide or nitrogen oxides to the maximum extent that a methodology is reasonably available to make such a determination;

(ii) reductions in such emissions will improve air quality in the other State’s or States’ nonattainment areas at least as cost-effectively as in the State or each other State from each other principal category of sources of the relevant pollutant, pollutants, or pre-cursors thereof, to the maximum extent that a methodology is reasonably available to make such a determination;

(C) The Administrator shall develop an appropriate peer reviewed methodology for making determinations under subparagraph (B) by December 31, 2006; and

(D) The Administrator shall not make any findings with respect to an affected unit under this section prior to January 1, 2011. For any petition submitted prior to January 1, 2010, the Administrator shall make a finding or deny the petition by the December 31, 2011.

(E) The Administrator, by rulemaking, shall extend the compliance and implementation deadlines in subsection (c) to the extent necessary to assure that no affected unit shall be subject to any such deadline prior to January 1, 2014.

(F) TITLE III.—Section 307(d)(1)(G) of title III of the Clean Air Act is amended to read as follows:

“(G) the promulgation or revision of any regulation under title IV to control noise pollution.”

(G) NOISE POLLUTION.—Title IV of the Clean Air Act (relating to noise pollution) (42 U.S.C. 7641 et seq.) is redesignated as title VII and amended by renumbering sections 401 through 409 as sections 701 through 703, respectively, and conforming all cross-references thereto accordingly.

(H) TITLE III.—Section 108 of the Clean Air Act Amendments of 1990 (relating to acid deposition control) is amended by repealing section 406 (industrial sulfur dioxide emissions limitations).

(I) MONITORING.—Section 821 (a) of title VIII of the Clean Air Act Amendments of 1990 (miscellaneous provisions) is amended to read as follows:

“(a) MONITORING.—The Administrator shall promulgate regulations within eighteen...
be deducted, the cost of homeownership would go down and more families would be able to buy homes. It is estimated that the Mortgage Insurance Fairness Act would increase the number of homeowners by 300,000 per year.

The Mortgage Insurance Fairness Act

The Mortgage Insurance Fairness Act will help to make the dream of owning a home attainable for more Americans. We came very close to enacting this legislation last year when it was included in the Senate version of the Act. Unfortunately, in the end we were not able to complete action on this bill. I look forward to again working with my colleagues to see this legislation is passed and signed into law. I thank you for the opportunity to speak today, and I urge my colleagues to support this important bi-partisan legislation. 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. 132
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Mortgage Insurance Fairness Act”.

SEC. 2. PREMIUMS FOR MORTGAGE INSURANCE.

(a) In general.—Paragraph (3) of section 163(h) of the Internal Revenue Code of 1986 (relating to qualified residence interest) is amended by adding after subparagraph (D) the following new subparagraph:

“(E) MORTGAGE INSURANCE PREMIUMS TREATED AS INTEREST.—

(1) IN GENERAL.—Premiums paid or accrued for qualified mortgage insurance by a taxpayer during the taxable year in connection with acquisition indebtedness with respect to a qualified residence of the taxpayer shall be treated for purposes of this subsection as qualified residence interest.

(2) PHASEOUT.—The amount otherwise allowable as a deduction under clause (1) shall be reduced (but not below zero) by 10 percent of such amount for each $1,000 ($500 in the case of a married individual filing a separate return) (or fraction thereof) that the taxpayer’s adjusted gross income for the taxable year exceeds $100,000 ($50,000 in the case of a married individual filing a separate return).

(b) DEFINITION AND SPECIAL RULES.— Paragraph (4) of section 163(h) of the Internal Revenue Code of 1986 (relating to other definitions and special rules) is amended by adding at the end of the following new subparagraph:

“(E) QUALIFIED MORTGAGE INSURANCE.—The term ‘qualified mortgage insurance’ means—

(i) mortgage insurance provided by the Veterans Administration, the Federal Housing Administration, the Rural Housing Administration, and the Federal National Mortgage Association (relating to qualified residence interest) is amended by adding after subparagraph (D) of section 163(h) of the Internal Revenue Code of 1986 (relating to qualified residence interest) is amended by adding at the end of the following new subparagraph:

“(E) QUALIFIED MORTGAGE INSURANCE.—The term ‘qualified mortgage insurance’ means—

(i) mortgage insurance provided by the Veterans Administration, the Federal Housing Administration, or the Rural Housing Administration; and

(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1996 (12 U.S.C. 4901), as in effect on the date of the enactment of this subsection).

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to amounts paid or accrued after the date of enactment of this Act in taxable years ending after such date.

By Mr. TALENT (for himself and Mr. FRINGOLD):

S. 133. A bill to amend section 302 of the PROTECT Act to modify the standards for the issuance of alerts through the AMBER Alert communications network; to the Committee on the Judiciary.

Mr. TALENT. Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

By Mr. TALENT (for himself and Mr. SMITH (for himself and Mr. LINCOLN)):

S. 132. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums on mortgage insurance; to the Committee on Finance.

Mr. SMITH. Mr. President, today I am reintroducing important legislation to help more Americans realize the dream of homeownership. The Mortgage Insurance Fairness Act would allow homeowners and prospective home buyers to make mortgage insurance payment premiums tax deductible. In doing so, it will help more lower-income Americans purchase homes for their families.

It is widely recognized that homeownership helps create stable and safe communities. As such, the Federal Government has long sought to increase homeownership. President Bush has announced a goal of 5.5 million new homeowners by the year 2010. Achieving that goal requires helping those that have typically had difficulty purchasing homes—young people, low-income families, members of minority groups.

Government and private mortgage insurance programs help first-time, low-income and veteran borrowers afford to purchase homes. The Veterans Affairs (VA), Federal Housing Authority (FHA), Regional Housing Authority (RHA) and Private Mortgage Insurance (PMI) programs allow buyers to make a down payment of 3 percent or less of the appraised value. For many lower- and middle-income families, mortgage insurance makes it possible for them to buy their first home.

In Oregon, more than 173,000 families held mortgages with either FHA or private mortgage insurance in 2002. In 2001, 62 percent of the insured home purchases in Oregon were low-income borrowers, and insured mortgages covered 25 percent of all home purchase loans that year.

Nationwide, mortgage insurance covers over half of home loans made to African American and Hispanic borrowers. Similarly, over half of the loans to borrowers with incomes below the median income were covered by mortgage insurance. The people who use mortgage insurance are regular working families who live in every community throughout the country. In all, more than twelve million American families pay mortgage insurance.

Currently, these borrowers are not allowed to deduct the cost of their mortgage insurance from their Federal taxes. If these payments were made deductible, the cost of homeownership would go down and more families would be able to buy homes. It is estimated that the Mortgage Insurance Fairness Act would increase the number of homeowners by 300,000 per year.

The Mortgage Insurance Fairness Act

The Mortgage Insurance Fairness Act will help to make the dream of owning a home attainable for more Americans. We came very close to enacting this legislation last year when it was included in the Senate version of the Act. Unfortunately, in the end we were not able to complete action on this bill. I look forward to again working with my colleagues to support this important bi-partisan legislation. 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. 132
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SEC. 2. MINIMUM STANDARDS FOR ISSUANCE AND DISSEMINATION OF ALERTS THROUGH AMBER ALERT COMMUNICATION NETWORK.

Section 302(b) of the PROTECT Act (42 U.S.C. 5791a(b)) is amended by adding at the end the following:

"(5) The minimum standards shall, to the maximum extent practicable (as determined by the Coordinator in consultation with State and local law enforcement agencies), allow for the dissemination of alerts to ensure that law enforcement officials can issue, and to provide for the dissemination of, an alert through the AMBER Alert communications network to facilitate the recovery of abducted children."

SEC. 3. DEFINITION.

Title III of the PROTECT Act (42 U.S.C. 5791 et seq.) is amended by adding at the end the following:

"SEC. 306. DEFINITION.

"For purposes of this title, the term 'child means—"

(1) any individual under 18 years of age; or

(2) a newborn."

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

S. 134. A bill to adjust the boundary of Redwood National Park in the State of California; to the Committee on Energy and Natural Resources.

Mrs. FEINSTEIN. Mr. President, I am pleased to introduce legislation sponsored by Senator BOXER to adjust the boundary of Redwood National Park in the State of California to include the addition of the Mill Creek property. This continues the effort initiated in the last Congress with the leadership of Congressman MIKE THOMPSON, to solidify and expand the co-operative management relationship between the United States Government and the State of California, working together to protect forever the ancient majesty of the redwood forest.

In 2002, the California Department of Parks and Recreation acquired from the Save-the-Redwoods League 25,000 acres of forest land known as the Mill Creek property in Del Norte County, which is contiguous with the Redwood National and State parks boundary. This bill would include within the park boundary the Mill Creek acquisition and about 900 acres of land acquired and added to the State redwood parks since the 1978 expansion of the Redwood National Park boundary. There would be no Federal costs for land acquisition or development resulting from this legislation.

Approval of the expansion of the boundary of Redwood National Park to include the headwaters of Mill Creek will complete the vision of the Redwood Park embraced by Senator Kuchel in S.1370 that he introduced in 1967, a vision dating back to the McLaughlin-Cook report issued by the National Park Service in 1937. Protection of the headwaters of Mill Creek will secure the long term viability of the ancient redwoods already within Redwood National and State Park. It would permanently safeguard the coco salmon habitat in an area that is home to some of the oldest, clear, cold waters of this forest.

These lands will be managed by the same cooperative management agreement between the National Park Service and the California Department of Parks and Recreation. This partnership is viewed as a model of interagency co-operative management efforts and will provide for more efficient and cost-effective management of an ecologically significant resource.

This bill enjoys strong support from local and Federal officials, including Del Norte County and the Department of the Interior. Given this support and lack of controversy, I believe this legislation to be of great importance to ensure that our Redwood National Park is further protected.

I have long held a deep interest in protecting California’s magnificent Redwoods. The coast redwood, the sequoia sempervirens, is native only to the West Coast where it stands in a narrow band from the tip of the Big Sur Coast to the Chetco River, just north of the California-Oregon border. The redwoods are more fragile than any other tree in the world and trace its lineage to among the oldest of living things. The cathedrals formed by these ancient trees inspire the best in us as a people. The redwood forests of California are a national and worldwide treasure that is ours to protect and preserve.

In 1966, the Headwaters Agreement was negotiated in part in my offices to protect approximately 7,500 acres of old growth redwood, which was the largest group of redwoods held in private ownership at the time. It is my great pleasure today to introduce this legislation to extend our national commitment to collaboration in preservation of the redwoods and the watersheds they anchor.

I applaud Congressman MIKE THOMPSON’s commitment to this issue and 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. 134

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 “Redwood National Park Boundary Adjustment Act of 2005”.

SEC. 2. REDWOOD NATIONAL PARK BOUNDARY ADJUSTMENT.

Section 2(a) of the Act of Public Law 90-545 (16 U.S.C. 790a(a)) is amended—

(1) in the first sentence, by striking “(a) The area” and all that follows through the period at the end and inserting the following: “(a)(1) The Redwood National Park consists of the land generally depicted on the map entitled ‘Redwood National Park, Revised Boundary’, numbered 167/60502, and dated February, 2003:—"

(2) by inserting after paragraph (1) (as designated by paragraph (1)) the following:

“(2) The map referred to in paragraph (1) shall—"

(A) on file and available for public inspection in the appropriate offices of the National Park Service; and

“(B) provided by the Secretary of the Interior to the appropriate officers of Del Norte and Humboldt Counties, California.”; and

(3) in the second sentence—

(A) by striking “The Secretary” and inserting the following:

“(3) The Secretary; and

(B) by striking “one hundred and six thousand acres” and inserting “133,000 acres”.

By Mrs. FEINSTEIN:

S. 138. A bill to authorize the Secretary of the Interior to provide supplemental funding and other services that are necessary to assist certain local school districts in the State of California in providing education services for students attending schools located within Yosemite National Park, to authorize the Secretary of the Interior to adjust the boundaries of the Golden Gate National Recreation Area; to the Committee on Energy and Natural Resources.

Mrs. FEINSTEIN. I rise today to introduce a bill that combines needed help for small Yosemite schools, and an addition to the beautiful Golden Gate National Recreation Area. Each of these bills individually has passed both the House and Senate in previous Congresses.

The first title of this legislation provides critical funds to three small schools nestled in the heart of Yosemite National Park and authorizes the Yosemite Regional Transportation System to shuttle visitors in and out of the park.

Approximately 130 children of park service employees are taught in the three elementary small schools located in Yosemite National Park—Watson, El Portal, and Yosemite Valley elementary schools. These schools represent a dying breed of education models; they are small schools that teach children who live in remote communities and are taught by one or a group of teachers. At El Portal, three teachers instruct 53 students in seven grades. Watson has 17 students in 7 grades who are taught by one teacher/principal.

And Yosemite Valley serves 60 students in 8 grades who are taught by two teachers.

The remote location of these schools, their small sizes and California’s unique method for funding education, have all contributed to the schools amassing a combined deficit of $290,000. In their efforts to continue to provide basic educational services to students, the schools have had to cut supplemental instruction that would normally be available to students taught outside of the park.

Some have suggested that these schools consolidate into one to pool their limited resources. While this may seem to solve the problem, you must understand that many of these students already travel many miles on treacherous mountainous roads to attend their current schools. If the three schools were to consolidate, this problem would be exacerbated, requiring many students to make a 2 hour commute to their new schools.
I do not believe this is a viable option and that is why I support this legislation.

Last year, Senator Bingaman, Congressman Radanovich and I worked out a compromise on this legislation that would allow the Park Service to make payments in addition to those provided in the National Park Service’s budget. The compromise includes the following terms:

For fiscal year 2006 through 2009, the Secretary of the Interior may make payments up to $400,000 in funds to the Bass Lake Union Elementary School District and the Mariposa Unified School District for educational services to students who are dependents of persons engaged in the administration, operation, and maintenance of the Park or students who live at or near the Park; the Secretary can only provide the funds if the State of California and local agencies maintain 2005 per-student funding levels to the schools, and the Secretary also must make sure that the assistance to the schools does not reduce the remaining funding available to Yosemite National Park below fiscal year 2005 levels.

Furthermore, this legislation allows the Park Service to allot federal funds for the continuing operation of a bus service that shuttles visitors through Yosemite National Park—the Yosemite Area Regional Transportation System. The federally funded demonstration project that allowed YARTS to offer services on a temporary basis expired in May 2002 and since then, YARTS has leveraged local funds to ensure that service continues.

Both the Park Service and YARTS are supportive of continuing their mutually beneficial agreement. This legislation would do just that by taking the burden off local entities and providing the necessary assurance that this service needs.

I am also pleased to introduce today a second title in this legislation to allow the National Park Service to extend the boundaries of the Golden Gate Recreation Area, GGRA, by acquiring critical natural landscapes and scenic vistas.

This bill meets several distinct needs in California and national needs of all National Park System visitors by adding 4,600 acres of pristine natural land to the boundary of the Golden Gate Recreation Area. It will protect four major wetlands, prevent the home of numerous threatened, rare and endangered species, add to the scenic region, allow potential access to valuable future trail links to contiguous State and county parks, and establish a dramatic and logical southern entrance to the park.

A key component of this legislation is its three-way, local-state-federal partnership. Half of the total purchase price of these lands has already been donated by local and State sources. Additionally, this legislation specifically provides that all land transactions involve a willing seller and willing buyer. Furthermore, this bill has the strong support of local community groups, the former Golden Gate National Recreation Area Advisory Commission, the San Mateo County Board of Supervisors, the National Park Service, and the California State Farm Bureau. It also has the endorsement of the San Francisco Chronicle and the San Jose Mercury News. I know of no opposition to this bill.

Expanding the boundary of the Golden Gate National Recreation Area to include Rancho Corral de Tierra through such a beneficial partnership is an opportunity to be missed. A vast land within a major metropolitan area that offers extraordinary scenic views of the Pacific coastline and the greater Bay Area, a place with plants found nowhere else on earth refuge, a home for rare and endangered animals, is available now for protection and enjoyment. We have the chance to enjoy this special land and to leave a lasting legacy for our children and our grandchildren.

California’s national parks are truly invaluable and the park that this bill supports offers an opportunity for visitors and residents to enjoy unique national habitats and offers a unique chance for the National Park Service and the community to work together, not only to protect the environment, but also the interests of the nearby communities and national and international visitors.

This bill enjoys strong support from local and State officials and I hope that it will receive bipartisan support this Congress, as it did last Congress. Congressman Tom Lantos plans to introduce companion legislation for this bill in the House and I applaud his leadership on this issue.

I urge my colleagues to support this bill. 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. 136

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

SECTION 1. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Table of contents

Title I—Yosemite National Park Authorized Payments

Section 101. Payments for educational services.

Section 102. Authorization for park facilities to be located outside the boundaries of Yosemite National Park System.

Title II—Rancho Corral de Tierra Golden Gate National Recreation Area Boundary Adjustment

Section 201. Short title.

Section 202. Golden Gate National Recreation Area Improvement in California.

Title I—Yosemite National Park Authorized Payments

SEC. 101. PAYMENTS FOR EDUCATIONAL SERVICES.

(a) In General.—(1) For fiscal years 2006 through 2009, the Secretary of the Interior may provide funds to the Bass Lake Joint Union Elementary School District and the Mariposa Unified School District in the State of California for educational services to students:

(A) who are dependents of persons engaged in the administration, operation, and maintenance of Yosemite National Park; or

(B) who live within or near the park upon real property owned by the United States.

(2) The Secretary’s authority to make payments under this section shall terminate if the State of California or local education agencies do not continue to provide funding to the schools referred to in subsection (a) at per student levels that are no less than the amount provided in fiscal year 2005.

(3) LIMITATION ON AMOUNT OF FUNDS.—Payments made under this section shall only be used to pay public employees for educational services provided in accordance with subsection (a). Payments may not be used for construction, construction contracts, or major capital improvements.

(c) LIMITATION ON AMOUNT OF FUNDS.—Payments made under this section shall not exceed the lesser of—

(1) $400,000 in any fiscal year; or

(2) the amount necessary to provide students described in subsection (a) with educational services that are normally provided and generally available to students who attend public schools elsewhere in the State of California.

(d) SOURCE OF PAYMENTS.—(1) Except as otherwise provided in this subsection, the Secretary may use funds available to the National Park Service from appropriations, donations, or fees.

(2) Funds from the following sources shall not be used to make payments under this section:


(B) Emergency appropriations for flood recovery at Yosemite National Park.

(3) The Secretary may use an authorized funding source to make payments under this section only if the funding source is not available to Yosemite National Park from such source (after subtracting any payments to the school districts authorized under this section) is greater than or equal to the amount made available to the park for the prior fiscal year, or in fiscal year 2005, whichever is greater.

(4) It is the sense of Congress that any payments made under this section should not result in a reduction of funds to Yosemite National Park from any specific funding source and that with these appropriated funds, funding levels should reflect annual increases in the park’s operating base funds that are generally made to units of the National Park System.

SEC. 102. AUTHORIZATION FOR PARK FACILITIES TO BE LOCATED OUTSIDE THE BOUNDARIES OF YOSEMITE NATIONAL PARK.

(a) FUNDING AUTHORITY FOR TRANSPORTATION SYSTEMS AND EXTERNAL FACILITIES.—Section 814(c) of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 346e) is amended—

(1) in the heading by inserting “and Yosemite National Park” after “Zion National Park”; and

(2) in the first sentence—
S. 137. A bill to modify the contract consolidation requirements in the Small Business Act, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Mr. KERRY (for himself and Mr. BINGAMAN):

S. 138. A bill to make improvements to the microenterprise programs administered by the Small Business Administration; to the Committee on Small Business and Entrepreneurship.

By Mr. KERRY:

S. 139. A bill to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a vocational and technical entrepreneurship development program; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Mr. President, as Ranking Member of the Small Business and Entrepreneurship Committee, today I am introducing a package of bills that will help small business owners with access to loans, business counseling and Federal procurement opportunities. Each of the bills was previously introduced in the context of the Committee’s extensive Small Business Administration reauthorization proposal that passed the Senate unanimously last Congress. These are provisions that are necessary for enabling our nation’s small businesses to continue to have the resources and tools they need to compete with larger companies. They will help America’s budding entrepreneurs continue to seek out business opportunities and continue to start businesses. Enactment of this legislation by the Federal government is not there to make the road to success more difficult for small businesses, but to help them where the private sector will not.

Mr. President, the first bill of this package is the Small Business Federal Contractor Safeguard Act. It includes essential contractor protections that were a part of the Small Business Administration reauthorization package that passed the Senate unanimously last Congress but was stalled during negotiations in the House of Representatives. These much-needed protections will help level the playing field for small firms and create a procurement atmosphere that fosters competition, fair access and equal opportunity for smaller entities.

With Federal agencies awarding larger, more complex and more costly contracts, and with less staff at the Small Business Administration and within Federal agencies participating, oversight of this history that will help successful small firms bid on future Federal prime contracts or subcontracts. Each contracting officer will be empowered to withhold a portion of the payment to the prime contractor until he also receives the completed and accurate performance report. Any material breach of contract that is found will be immediately reported to the Inspector General of that Agency for a complete investigation.

The second bill of this small business legislative package is the SBA Microenterprise Improvements Act. It was also included as part of the Small Business Administration reauthorization package and passed by the Senate unanimously last Congress. I am reintroducing these provisions because they are vital to the microenterprise programs administered by the SBA: the Microloan Program and the Program for Investment in Microentrepreneurs (PRIME).

As I have stated on numerous occasions, I disagree with the Administration’s proposals to cut back funding for microloans and training assistance intended to encourage entrepreneurship and foster America’s smallest small businesses. And I wholeheartedly disagree with the Administration’s ill-
founded argument that these borrowers are being, or will be, served through the SBA’s 7(a) loan guarantee program. SBA’s loan programs are not one-size fits all. The small borrower in the Microloan program is different, and there are different needs. How can a small business borrower be served through the 7(a) loan program. Both lending vehicles are important, but they are different, and one is not a substitute for the other.

Who are the borrowers being served through the microloan program? Thirty percent are African American; 11 percent are Hispanic; 37 percent are women; and, anywhere from 30 percent to 40 percent go to small businesses in rural areas. Because of their size, the for-size of the loan they need and their relative inexperience, small businesses borrowers are turned away by banks, and yet the Administration proposed cutting the Microloan program by 36 percent in Fiscal 2004 budget, and cut all funding in its fiscal year 2005 budget. The SBA needs to fully fund these programs and put more resources into the office that manages the program. Four people are not enough to manage 1,400 loans and 180 grant dollars were wasted. The SBA’s long-time manager of microenterprise programs, Jody Raskind, is leaving the Agency. All those who support the good work of fostering SBA’s Microloan program are sorry to see her go, not of her dedication and hard work, but also because they are concerned that the Administration will never really fill the job, letting the programs languish. I urge the Administration to move quickly to fill that position, just as the private sector would, by working with the Microloan community to identify someone who is competent, resourceful and dedicated to monitoring integrity of these programs and fostering their success.

In order to get the Microloan program back on track, we need to finally enact some changes to the Microloan program that have passed the Senate several times over the last four years but have yet to pass the full Congress because of unrelated political fights. I urge my colleagues to let us move forward with making these provisions law, once and for all. The first part of the SBA Microenterprise Improvements Act includes many of the provisions passed as part of S. 174, a bill which the Senate and I introduced in 2001 and the Committee and the full Senate voted to pass by unanimous consent in 2002. As I mentioned earlier, these provisions were also included as part of S.1375, the SBA reauthorization bill that passed the Senate unanimously in 2003. The updated budget and changes to the Microloan program included in this bill will improve the program in several ways.

First, it will allow intermediaries to make revolving-term loans or longer fixed term loans to small businesses. Currently, intermediaries may only make “short-term” loans with fixed terms, which restrict the ability of microlenders to structure loans that meet the needs of certain small enterprises. This will benefit small businesses, the lenders, and the SBA because it will eliminate repeated paperwork and unnecessary administrative burdens. It will help small businesses, such as carpenters, who need revolving loans to finance the jobs as they come in, rather than taking multiple little, fixed-term loans. Second, this bill also contains a change to the Microlenders eligibility. Rather than tying eligibility to the expertise of the entity, this bill makes it possible for new entities to qualify as the SBA microlending intermediaries if they have staffs who are experienced in this unique or specialized lending and technical assistance. This bill also adjusts, reflecting changes in the market, the average smaller size of microloans from $7,500 to $10,000, to make it consistent with similar changes enacted in December 2000. Borrowers with 25 percent to 30 percent, the amount of technical assistance (TA) funds an intermediary can contract with an outside expert and the amount of grants a lender can use to counsel prospective borrowers. In addition, this bill requires the SBA to report annually on the requirements that states that Agency must contract out 7 percent of its loan dollars for intermediary training.

The second part of the SBA Microenterprise Improvements Act, like S.1375, requires the SBA to develop an improved subsidy rate model to determine the cost of microloans. The one the Agency has used since the program’s inception does not reflect the performance of the program. In June 2003, the administration’s budget doubled the subsidy rate (which is the government’s cost of the program) from 6.78 percent to 13.05 percent, even though the program had not experienced any loss of federal funds since the first loan was made in 1995. This broken method of calculating the cost of these loans is a waste of taxpayer money because Congress has to appropriate unnecessary funds to run the program. Now is the time to fix this.

The second part of the SBA Microenterprise Improvements Act also comes from S.1375, but was not included in the small business reauthorization bill that passed Congress last session. It begins by reauthorizing the PRIME program through 2007 and transfers its legislative language from the Riegle Community Development and Regulatory Improvement Act of 1994 to section 37 of the Small Business Act. Additionally, it includes a provision to extend the long-term economic handicap existing in Native American communities nationwide. There are a number of microenterprise organizations in states across the country that are willing and prepared to take on the additional challenge of assisting disadvantaged Native American entrepreneurs, and there are a number of Native American communities that are eager to explore a different path to economic development. However, there are currently a limited amount of funds to allow that to happen. Again, I commend Senator BINGAMAN for his continued attention to these needs, for his continued support of small business legislation to address them and for his foresight and vision for Native Americans in New Mexico and across the country. The Native American communities of our nation will be better off with the assistance that this provision makes possible.

Again, it is time to move forward. Out of 66 pages of Small Business Administration reauthorizations and improvements that were slipped into the Omnibus Appropriations bill that passed at the end of the 108th Congress, these non-controversial provisions were included. They should have been.

The third part of the package that I’m introducing today is a reintroduction of the Vocational and Technical Entrepreneurship Development Act. Last Congress, I introduced this important piece of legislation as a companion to H.R. 1367, which bears the same name and was passed in the House, in the 107th and 108th Congresses, by Congressman ROBERT BRADY of Pennsylvania.

Let me begin by reminding my colleagues that the Small Business Administration’s Office of Advocacy states that only half of all small businesses survive past four years and that management and education remain two of the most important ingredients to small business success. We often think of small businesses as money to succeed, but while adequate financing is vital, so too is careful planning and competent management. Often Americans who work in the trade sector—construction, plumbing, electrical work, etc.—enter these professions so forethought and have an economic handicap that they lack the foresight and vision for Native Americans in New Mexico and across the country. The Native American communities of our nation will be better off with the assistance that this provision makes possible.

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Mr. President, I urge all of my colleagues to cosponsor and support these three bills.

I ask unanimous consent that the text of the bills be printed in the Record.

S. 137

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 “Small Business Federal Contractor Safeguard Act of 2005”.

SEC. 2. CONTRACT CONSOLIDATION.

(a) DEFINITIONS. —Section 3(d) of the Small Business Act (15 U.S.C. 632(o)) is amended to read as follows:

“(2) The term ‘contract consolidation’ means —

(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(c) of title 10, United States Code;

(B) a multiple award task order contract or delivery order contract that is entered into under parts 204a through 204d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 653a); and

(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with 2 or more sources pursuant to the same solicitation; and

(3) the term ‘senior procurement executive’ means —

(A) with respect to a military department, the official designated under section 16(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 413(a)) as the senior procurement executive for the military department;

(B) with respect to a Defense Agency or a Department of Defense Field Activity, the official so designated for the Department of Defense; and

(C) with respect to a Federal department or agency other than those referred to in subparagraphs (A) and (B), the official so designated by that department or agency.

(b) PROCUREMENT STRATEGIES. —Section 156 of the Small Business Act (15 U.S.C. 644(e)) is amended —

(1) in paragraph (2)—

(A) by striking

“(A) In general;” and

(B) by striking paragraphs (B) and (C); and

(2) by amending paragraph (3) to read as follows:

“(3) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—

(A) CERTAIN DEFENSE CONTRACT REQUIREMENTS. —An official of a military department, defense agency, or Department of Defense Field Activity shall not execute an acquisition strategy involving consolidation of contract requirements of the military department, agency, or activity with a total value in excess of $5,000,000, unless the senior procurement executive—

(1) conducts market research;

(2) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

(3) determines that the consolidation is necessary and justified.

(B) CERTAIN CIVILIAN AGENCY CONTRACT REQUIREMENTS. —The head of a Federal agency shall not execute an acquisition strategy involving consolidation of contract requirements of the agency with a total value in excess of $5,000,000, unless the senior procurement executive—

(1) conducts market research;

(2) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

(3) determines that the consolidation is necessary and justified.

(C) ADDITIONAL REQUIREMENTS FOR HIGHER VALUE CONSOLIDATED CONTRACTS.—In addition to meeting the requirements under subparagraph (A) or (B), a procurement strategy by a civilian agency that includes a consolidated contract valued at more than $7,000,000 or by a defense agency that includes a consolidated contract valued at more than $7,000,000 shall include—

(i) an assessment of the specific impediments to participation by small business concerns as prime contractors that will result from the consolidation;

(ii) the identification of the alternative strategies that would reduce or minimize the scope of the consolidation and the rationale for not choosing those alternatives;

(iii) actions designed to maximize small business participation as subcontractors, including provisions that encourage small business teaming for the consolidated requirement; and

(iv) actions designed to maximize small business participation as subcontractors (including suppliers) at any tier under the contract or contracts that may be awarded to meet the requirements.

(D) NECESSARY AND JUSTIFIED.—A senior procurement executive may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for purposes of subparagraph (A), (B), or (C), if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contract approaches identified under clause (i) of any of those subparagraphs, as applicable.

(E) BENEFITS. —Benefits considered for purposes of this paragraph may include cost and, regardless of whether quantifiable in dollar amounts—

(i) quality;

(ii) acquisition cycle; and

(iii) terms and conditions; and
“(iv) any other benefit directly related to national security or homeland defense.”.

(c) ADDITIONAL TO TECHNICAL ADVISERS.—Section 15(k) of the Small Business Act (15 U.S.C. 644(k)) is amended—

(1) in paragraph (5), by striking “bundled contract” and inserting “consolidated contract”; and

(2) in paragraph (8), by striking “representative” and inserting “representative at each major procurement center under subsection (1)(1)—

(d) PROCUREMENT CENTER REPRESENTATIVES.—Section 15(l) of the Small Business Act (15 U.S.C. 644(l)) is amended—

(1) by redesignating paragraphs (2) through (7) as paragraphs (3) through (8), respectively;

(2) by striking “(1)(1)” and inserting “(2);”;

(3) by inserting before paragraph (2), as redesignated, the following:

“(1)(1) The Administration shall assign not fewer than 1 procurement center representative at each major procurement center, in addition to not fewer than 1 for each State;”;

(4) in paragraph (2), as redesignated, by striking “to the representative referred to in subsection (k)(6)” and inserting “to the representative referred to in subsection (l)(1)”; and

(5) by striking “(2)” each place that term appears and inserting “(3)(A)”.

(e) REPORT REQUIREMENTS.—Section 15(p)(4)(B) of the Small Business Act (15 U.S.C. 644(p)(4)(B)) is amended—

(1) in clause (i), by striking “and” at the end;

(2) in clause (ii), by striking the period at the end and inserting the following: “; and”;

and

(3) by adding at the end the following:

“(iii) a description of best practices for maximizing small business prime and subcontracting opportunities.”;

(f) CONFORMING AMENDMENTS.—Section 15(p) of the Small Business Act (15 U.S.C. 644(p)) is amended—

(1) in subsection (c), by striking “BUNDLED CONTRACTS” and inserting “CONSOLIDATED CONTRACTS”;

(2) in the heading to paragraph (1), by striking “BUNDLED CONTRACT” and inserting “CONSOLIDATED CONTRACT”;

(3) in the heading to paragraph (4), by striking “BUNDLING CONTRACTS” and inserting “CONTRACT CONSOLIDATION”;

(4) by striking “bundled contracts” each place that term appears and inserting “consolidated contracts”; and

(5) by striking “bundled contract” each place that term appears and inserting “consolidated contract”;

SEC. 3. AGENCY ACCOUNTABILITY

(a) In General.—Each procurement employee—

 shall communicate to their subordinates the importance of achieving small business goals; and

 shall have as an annual performance evaluation a requirement of the success of that procurement employee in small business utilization, in accordance with the goals established under this section.

(b) Definition.—In this section, the term “procurement employee” means a senior procurement executive, senior program manager, or small and disadvantaged business concerns in the amount and quality used in preparing the bid or proposal, unless such small business concerns are no longer utilized and thereby no longer meet the quality, quantity, or delivery date.

(b) PENALTIES FOR FALSE CERTIFICATIONS.—Section 18(f) of the Small Business Act (15 U.S.C. 637(d)(18)(C)) is amended by striking “and inserting “or the reporting requirements of section 8(d)(1)”; and

SEC. 6. EVALUATING SUBCONTRACT PARTICIPATION IN AWARDING CONTRACTS.

(a) Significant Factors.—Section 8(d)(4)(G) of the Small Business Act (15 U.S.C. 637(d)(4)(G)) is amended by striking “a bundled and inserting “any”;

(b) Evaluation Reports.—Section 8(d)(10) of the Small Business Act (15 U.S.C. 637(d)(10)) is amended—

(1) by redesignating paragraph (11) as paragraph (14); and

(2) by inserting after paragraph (10) the following:

“(11) CERTIFICATION.—A report submitted by the prime contractor pursuant to paragraph (8)(E) to determine the attainment of a subcontract utilization goal under any subcontracting plan entered into with a Federal agency under this subsection shall contain the name and signature of the president or chief executive officer of the contractor, certifying that the subcontracting data provided in the report are accurate and complete.

(c) Centralized Database; Payments Pending Reports.—Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (3) the following:

“(4) Any adjustment to the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)), shall be immediately matched by an identical adjustment to the small business reserve for purposes of this subsection.”;

(b) Participation in Multiple Award Contracts.—Section 15(j) of the Small Business Act (15 U.S.C. 644(j)) is amended by adding at the end the following: “(4) Any adjustment to the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)), shall be immediately matched by an identical adjustment to the small business reserve for purposes of this subsection.”;

(c) Evaluation Reports.—Section 8(d)(10) of the Small Business Act (15 U.S.C. 637(d)(10)) is amended—

(1) by striking “is authorized to” and inserting “shall”; and

(2) by adding at the end the following:

“(D) report the results of each evaluation under subparagraph (C) to the appropriate contracting officer.”;

(d) Centralized Database; Payments Pending Reports.—Each Federal agency having contracting authority shall ensure that the terms of each contract for goods and services includes a provision allowing the contracting officer of an agency to withhold an appropriate amount of payment with respect to a contract (depending on the size of the contract) until the date of receipt of complete, accurate, and timely subcontracting reports in accordance with paragraph (11).”;

(e) Referral of Material Breach to Inspector General.—Section 8(d)(8) of the Small Business Act (15 U.S.C. 637(d)(8)) is amended by adding at the end the following:

“Material breach in this paragraph shall be referred for investigation to the Inspector General (or the equivalent) of the affected agency.”;

SEC. 7. BUSINESS REPORT TO CONGRESS.

(a) In General.—Section 8(d)(6) of the Small Business Act (15 U.S.C. 637(d)(6)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by adding after paragraph (2) the following:

“(3) ANNUAL REPORT.—
‘‘(A) IN GENERAL.—The Associate Administrator of Business Development of the Administration shall collect data on the BusinessLINC program and submit an annual report to the Committee by April 30 of each year on the effectiveness of the program to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business and Entrepreneurship of the House of Representatives.

‘‘(B) CONTENTS.—The report submitted under subparagraph (A) shall include—

(i) the number of programs administered in each State;

(ii) the corresponding grant awards and the date of each award;

(iii) the dollar amount of the contracts in effect, as a result of the BusinessLINC program; and

(iv) the number of teaming arrangements or partnerships created as a result of the BusinessLINC program.

SEC. 3. PRIME REAUTHORIZATION AND TRANSFER TO THE SMALL BUSINESS ACT.

(a) PROGRAM REAUTHORIZATION.—Subtitle C of Title I of the Community Reinvestment Act and Regulatory Improvement Act of 1994 (15 U.S.C. 6801 note) is amended to read as follows:

‘‘SEC. 37. PROGRAM FOR INVESTMENT IN MICRO-ENTERPRENEURS.

‘‘(a) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

‘‘(1) ADMINISTRATION.—The term ‘Administration’ means the Small Business Administration.

‘‘(2) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the Small Business Administration.

‘‘(3) CAPACITY BUILDING SERVICES.—The term ‘capacity building services’ means services to enhance the ability to provide training and services to disadvantaged entrepreneurs.

‘‘(4) COLLABORATIVE.—The term ‘collaborative’ means 2 or more nonprofit entities that agree to act jointly as a qualified organization under this section.

‘‘(5) DISADVANTAGED ENTREPRENEUR.—The term ‘disadvantaged entrepreneur’ means a microenterprise that—

(A) is a low-income person;

(B) is a very low-income person; or

(C) lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as determined by the Administrator.

‘‘(6) DISADVANTAGED NATIVE AMERICAN ENTREPRENEUR.—The term ‘disadvantaged Native American entrepreneur’ means a disadvantaged entrepreneur who is also a member of an Indian Tribe.

‘‘(7) INDIAN TRIBE.—The term ‘Indian tribe’ has the same meaning as in section 4(a) of the Indian Self-Determination and Education Assistance Act.

(b) ESTABLISHMENT OF PROGRAM.—The term ‘mediary’ means a private, nonprofit entity that seeks to serve microenterprise development organizations and programs, as authorized under subsection (d).

‘‘(1) IN GENERAL.—The Administration shall—

(A) administer the program; and

(B) make payments under subsection (d).

‘‘(2) TO PROVIDE TRAINING AND TECHNICAL ASSISTANCE TO DISADVANTAGED ENTREPRENEURS.—The Administration shall—

(A) provide training and technical assistance to disadvantaged entrepreneurs;

(B) to provide training and capacity building services to microenterprise development organizations and programs and groups of organizations to assist such organizations and programs in developing microenterprise training and services;

(C) to aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs;

(D) to provide training and technical assistance to disadvantaged Native American entrepreneurs and prospective entrepreneurs; and

(E) for such other activities as the Administrator determines to be consistent with the purposes of this section.

‘‘(3) QUALIFIED ORGANIZATIONS.—For purposes of eligibility for assistance under this section, a qualified organization is an entity that—

(A) is a nonprofit microenterprise development organization or program (or a group of collaborative thereof) that—a nonprofit microenterprise development organization or program (or a group of collaborative thereof) that has a demonstrable record of providing microenterprise and technical assistance services to disadvantaged entrepreneurs;

(B) is an intermediary; and

(C) a microenterprise development organization or program that is accountable to a local community, working in conjunction with a State or local government or Indian tribe.

‘‘(4) ALLOCATION OF ASSISTANCE; SUBGRANTS.—

‘‘(A) ALLOCATION OF ASSISTANCE.—The Administrator shall allocate assistance from the Administration under this section to ensure that—

(i) activities described in subsection (c)(1) and (2) are funded using not less than 30 percent of amounts made available for such assistance; and

(ii) activities described in subsection (c)(3) are funded using not less than 15 percent of amounts made available for such assistance.
The Administration shall ensure that not less than 50 percent of the grants made under this section are used to benefit very low-income persons, including those residing on Indian reservations.

(3) SUBGRANTS AUTHORIZED.—
(A) IN GENERAL.—A qualified organization receiving assistance under this section may provide grants using that assistance to qualified small and emerging microentrepreneurs and other programs, subject to such rules and regulations as the Administrator determines to be appropriate.

(4) LIMIT ON ADMINISTRATIVE EXPENSES.—Not more than 7.5 percent of assistance received by a qualified organization under this section may be used for administrative expenses in connection with the making of subgrants under subparagraph (A).

(5) DIVERSITY.—In making grants under this section, the Administrator shall ensure that grant recipients include both large and small, public and private organizations, serving urban, rural, and Indian tribal communities serving diverse populations.

(6) PROHIBITION ON PREFERENCES.—No preferences shall be granted to any category of applicants or participants. In making grants under this section, the Administrator shall ensure that any application made by a qualified organization that is a participant in the programs established under section 7(m) of the Small Business Act does not receive preferential consideration over applications from other qualified organizations that are not participants in such program.

(7) MATCHING REQUIREMENTS.—
(1) Financial assistance under this section shall be matched with funds from sources other than the Federal Government on the basis of not less than 30 percent of each dollar provided by the Administration.

(2) SOURCES OF MATCHING FUNDS.—Fees, grants, gifts, funds from loan sources, and in-kind resources of a grant recipient from public or private sources may be used to comply with the matching requirement in paragraph (1).

(8) LIMITATION.—Not more than 10 percent of the total funds made available from the Administration in any fiscal year to carry out this section may be excepted from the matching requirements of paragraph (1).

(10) TRAINING FOR NATIVE AMERICAN ENTREPRENEURS.—In addition to the amount authorized under paragraphs (2) and (E) of this section, there are authorized to be appropriated to the Administrator $2,000,000 for each of the fiscal years 2005 through 2007 to carry out the provisions of this section, which shall remain available until expended.

(11) TRANSFER.—Section 37 of the Riegel Community Development and Regulatory Improvement Act of 1994 (15 U.S.C. 6901 note), as so designated by subsection (a) of this section, is transferred to, and inserted after, section 38 of the Small Business Act.

(12) TRANSFER.—The Administration shall carry out this section in accordance with such procedures as the Administrator shall establish.

(13) RACIAL AND ETHNIC MINORITY CONCERNS FORMED.—Not later than March 31, 2008, the Administrator shall establish a program under which the Administrator may require. The application shall include information regarding the goals and objectives of the application for the educational programs to be assisted.

(14) REPORT TO ADMINISTRATOR.—The Administrator shall keep a record of the educational programs assisted under this section, which shall remain available until expended.

(15) EVALUATION OF PROGRAM.—Not later than March 31, 2008, the Administrator shall report to the President by the date of enactment of this Act, the evaluations of the programs established under this section, and any recommendations for the improvement of such programs.

(16) CLEARINGHOUSE.—The Association shall act as a clearinghouse of information and expertise regarding vocational and technical entrepreneurship education programs. In each fiscal year in which grants are made under the program, the Administrator shall provide additional assistance to the Association to carry out the functions described in this subsection.

(17) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $7,000,000 for each of the fiscal years 2006 through 2008. Such sums shall remain available until expended.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 140. A bill to provide for a domestic defense fund to improve the Nation’s homeland defense, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mrs. CLINTON. 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 140

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 “Domestic Security Fund Act of 2005”.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.
Sec. 4. Grants to States, units of general local government and Indian tribes; authorizations.
Sec. 5. Statement of activities and review.
Sec. 6. Activities eligible for assistance.
Sec. 7. Allocation and distribution of funds.
Sec. 8. State and regional planning and communications system.
Sec. 9. Urban Area Security Initiative.
Sec. 10. Flexible emergency assistance fund.
Sec. 11. Federal preparedness, equipment, and training standards.
Sec. 12. Nondiscrimination in programs and activities.
Sec. 13. Remedies for noncompliance with requirements.
Sec. 14. Reporting requirements.
Sec. 15. Consultation by Attorney General.
Sec. 16. Intergovernmental agreements or compacts or purposes.
Sec. 17. Matching requirements; suspension of requirements for economically distressed areas.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Since the September 11, 2001, terrorist attacks on our country, communities all across America have been on the front lines in the war against terrorism on United States soil.

(2) Since September 11, 2001, communities have been forced to bear a significant portion of the burden that goes along with the war against terrorism, a burden that local governments should not have to bear alone.

(3) Our homeland defense will only be as strong as the weakest link at the State and local level. By providing our communities with the resources and tools they need to bolster emergency response efforts and provide for other emergency response initiatives, we will have a better-prepared home front that is better able to withstand the threats.

(4) Homeland security experts have repeatedly called upon Congress to allocate homeland security resources based on threat- and risk-based factors. The National Commission on Terrorist Attacks Upon the United States (referred to in this Act as the “9/11 Commission”) stated in its report: “We understand the contention that every State and local community needs to have some minimum infrastructure for emergency response. But Federal homeland security assistance should not remain a program to which Federal revenue sharing is the only available means of funding. The Commission made unequivocally clear that the current method of allocating the major portion of Federal homeland security resources to states and local communities is not a per capita basis alone, must be changed.

(5) Not only did the 9/11 Commission recommend that such changes be made in how Federal homeland security dollars are allocated, but commissions before it, such as the Homeland Security Independent Task Force of the Council on Foreign Relations, chaired by former Secretary of Defense Donald H. Rumsfeld, have strongly recommended it as well.

(6) The Hart-Rudman Commission stated almost 2 years ago that “Congress should establish a system for allocating scarce resources based less on dividing the spoils and more on identifying threats and vulnerabilities. To do this, the Federal Government should consider such factors as population, population density, vulnerability assessment, risk-based factors, and critical infrastructures within each State.”

(7) In addition to the need for threat and risk-based funding, direct funding to our major cities and counties should be allowed. It is necessary if we are to ensure that these communities, who are on the front lines of our nation’s homeland defense, receive critical Federal assistance quickly and efficiently. Numerous reports by organizations such as the United States Conference of Mayors, have clearly demonstrated that the current method of distributing Federal homeland security resources intended for local communities has not worked. Too often, too many communities receive resources, if at all, years after Congress appropriated the subject funds.

SEC. 3. DEFINITIONS.

(a) DEFINITIONS.—As used in this Act, the following definitions shall apply:

(1) CTR.—The term “CTR” means—

(A) any unit of general local government that is classified as a municipality by the United States Bureau of the Census, or

(B) any other unit of general local government that is a town or township and which, in the determination of the Secretary—

(i) possesses powers and performs functions comparable to those associated with municipalities;

(ii) is closely settled; and

(iii) does not contain within its boundaries any incorporated place, as defined by the United States Bureau of the Census, that has entered into cooperation agreements with the CTR to undertake projects to assist in the performance of homeland security objectives.

(2) FEDERAL GRANT-IN-AID PROGRAM.—The term “Federal grant-in-aid program” means a program of Federal financial assistance other than loans and other than the assistance otherwise provided by this Act.

(3) INDIAN TRIBE.—The term “Indian tribe” means any Indian tribe, band, group, or nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of which the United States is considering an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93–638) or was considered an eligible recipient under chapter 67 of title 41, United States Code, prior to the repeal of such chapter.

(4) METROPOLITAN AREA.—The term “metropolitan area” means a standard metropolitan statistical area as established by the Office of Management and Budget.

(5) METROPOLITAN UNIT.—The term “metropolitan unit” means—

(A) in general—

(i) a city within a metropolitan area that is the central city of such area, as defined and used by the Office of Management and Budget; or

(ii) any other city, within a metropolitan area, which has a population of not less than 50,000 inhabitants.

(B) PERIOD OF CLASSIFICATION.—Any city that was classified as a metropolitan city for a period of at least 2 years pursuant to subparagraph (A) of this paragraph shall remain in classification as a metropolitan city.

(6) POPULATION.—The term “population” means—

(A) IN GENERAL.—

(i) the total resident population based on the most recent data available by the United States Bureau of the Census or the Office of Management and Budget or otherwise modified as provided by this Act or in any regulation change or otherwise modified as provided by this Act.

(B) EXCLUSION OF LOCAL GOVERNMENTS FROM URBAN COUNTY POPULATION.—With respect to program years beginning with the program year for which grants are made available from appropriations authorized for fiscal year 2005 under section 4, the population of any unit of general local government which is included in the population of such urban county for the program year in which its population was first so included and shall not otherwise be eligible for a grant as a separate entity, unless the urban county does not receive a grant for any other program year during such 5-year period.
(1) Notification by urban county.—Any county seeking qualification as an urban county, including any urban county seeking to continue such qualification, shall notify each local government unit located within its geographical boundaries and elect to have its population excluded from that of the urban county, of its opposition to such an election. Such notification shall, at a time and in a manner prescribed by the Secretary, be so provided as to provide a reasonable period for response to such notification for which such qualification is sought.

(2) Failure of local government to elect to become part of urban county.—If any such local government unit fails to elect to become part of the urban county within the period of time permitted after the receipt of such notification, it shall be incorporated into the urban county, provided it shall be incorporated into the urban county of its election and, if such election is not made by the county of its election, the county of its notification and which does not inform, at a time and in a manner prescribed by the Secretary, of its opposition to the exclusion of its population from that of the county shall, if the county qualifies as an urban county, be included in the population of such urban county as provided under subsection (d).

SEC. 4. GRANTS TO STATES, UNITS OF GENERAL LOCAL GOVERNMENT AND INDIAN TRIBES; AUTHORIZATIONS.

(a) Authorization.—The Secretary may award grants to States, units of general local government, and Indian tribes to carry out activities in accordance with this Act.

(b) Authorization of Appropriations.—

(1) In general.—There are authorized to be appropriated pursuant to the authority of this Act:

(A) $3,500,000 for each of the fiscal years 2006 through 2009; and

(B) such sums as may be necessary for fiscal years 2010 and each fiscal year thereafter.

(2) State, regional, and local planning, training, and communication systems.—

There are authorized to be appropriated to carry out section 2:

(A) $1,000,000,000 for each of the fiscal years 2006 through 2009; and

(B) such sums as may be necessary for fiscal years 2010 and each fiscal year thereafter.

(3) Urban area security initiative (UASI).—There are authorized to be appropriated to carry out section 3—

(A) $2,000,000,000 for each of the fiscal years 2006 through 2009; and

(B) such sums as may be necessary for fiscal year 2010 and each fiscal year thereafter.

(4) Urban security and catastrophic preparedness assistance.—

There are authorized to be appropriated to carry out section 4—

(A) $3,500,000,000 for each of the fiscal years 2006 through 2009; and

(B) such sums as may be necessary for fiscal year 2010 and each fiscal year thereafter.

(5) In general.—

There are authorized to be appropriated to carry out section 5—

(A) $100,000,000 for each of the fiscal years 2006 through 2009; and

(B) such sums as may be necessary for fiscal years 2010 and each fiscal year thereafter.

(c) Supplement not supplant.—Funds appropriated pursuant to the authority of this section shall be used to supplement and not supplant full Federal funding for other first responder programs, including—

(1) the Community Oriented Policing Services Program, as authorized under part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3786dd et seq.);

(2) the Local Law Enforcement Block Grant Program, as authorized under the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322) and described in H.R. 728, as passed by the House of Representatives on February 14, 1995;

(3) the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs, as authorized under part E of title I of the Omnibus Crime Control and Safe Streets Act of 1994 (42 U.S.C. 3787m et seq.);

(4) the Assistance to Firefighters Grant Program, as authorized under section 33 of the Federal Fire Prevention and Control Act of 1974 (42 U.S.C. 5770), and


SEC. 5. STATEMENT OF ACTIVITIES AND REVIEW.

(a) Application.—

(1) In general.—A State, metropolitan city, urban county, or unit of general local government shall submit an application to the Secretary that contains—

(A) a statement of homeland security objectives identified by the grantee; and

(B) the certifications required under paragraph (2) and, if appropriate, subsection (b).

(2) Grantee statement.—

(A) Contents.—

(i) LOCAL GOVERNMENT.—In the case of metropolitan cities or urban counties receiving grants under section 7(b) and units of general local government under section 7(i)(3), the statement of projected use of funds shall consist of proposed homeland security activities.

(ii) STATES.—In the case of States receiving grants under section 7, the statement of projected use of funds shall consist of the method by which the States will distribute funds to units of general local government.

(B) Consultation.—In preparing the statement required under this subsection, the grantee shall consult with appropriate law enforcement agencies and emergency response authorities.

(c) Final statement.—A copy of the final statement and the certifications required under paragraphs (1) and (2) shall be furnished to the Secretary and the Attorney General.

(d) Modifications.—Any final statement of activities may be modified or amended from time to time by the grantee in accordance with the same procedures required under this paragraph for the preparation and submission of the grantee application for a grant.

(e) Certification of enumerated criteria by grantee to Secretary.—A grant under section 7 shall not be awarded unless the grantee certifies to the satisfaction of the Secretary that the grantee—

(A) has developed a homeland security plan that identifies both short- and long-term homeland security needs that have been developed in accordance with the primary objectives and requirements of this Act and, with the approval of the Secretary, a performance and evaluation report concerning the use of funds made available under section 7, whether the State or unit of general local government under section 7(i)(3), the Secretary may adjust, reduce, or withdraw such assistance, or take other action as appropriate in accordance with the Secretary’s reviews and audits under this subsection, except that funds already expended on eligible activities under this Act shall not be recaptured or deducted from future assistance to such units of general local government.

(f) Audits.—Insofar as they relate to funds provided under this Act, the financial transactions and certified reports of recipients of such funds may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

SEC. 6. ACTIVITIES ELIGIBLE FOR ASSISTANCE.

Activities assisted under this Act may include—

(1) funding additional law enforcement, fire, and emergency services, including covering overtime expenses;

(2) purchasing and refurbishing personal protective equipment for fire, police, and emergency personnel and acquire state-of-the-art technology to improve communication and streamlining efforts;

(3) improving cyber and infrastructure security by improving—

(A) security for water treatment plants, distribution systems, other water infrastructure, nuclear power plants, electrical grids, and other energy infrastructure; and

(B) security for tunnels, bridges, locks, canals, railway systems, airports, land and water ports, and other transportation infrastructure;

(4) security for oil and gas pipelines and storage facilities;
SEC. 7. ALLOCATION AND DISTRIBUTION OF FUNDS.

(a) SET-ASIDE FOR INDIAN TRIBES.—

(1) IN GENERAL.—The Secretary shall re-
duce the amount appropriated, allocate and directly transfer
amount not to exceed its basic amount com-
puted pursuant to subsections (c) and (d).

(2) ALLOCATION FOR INDIAN TRIBES.—

(A) IN GENERAL.—The Secretary shall dis-
tribute amounts under this paragraph to In-
dian tribes on the basis of a competition con-
ducted pursuant to specific criteria for the
selection of Indian tribes to receive such
amounts.

(B) RULEMAKING.—The Secretary, after no-
tice and public comment, shall promulgate
regulations, which establish the criteria de-
scribed in subparagraph (A).

(b) ALLOCATION TO METROPOLITAN CITIES AND URBAN COUNTIES.—

(1) VULNERABILITY AND THREAT FACTORS.—Of the amount remaining after allocations have been made to Indian tribes under subsection (a), the Secretary shall, not later than 60 days after the date on which such funds are appro-
appropriate, allocate and directly transfer
70 percent to metropolitan cities and urban coun-
ties.

(2) ENTITLEMENT.—Except as otherwise spe-
cifically authorized, each metropolitan city or urban
county shall be entitled to an annu-
ald grant, to the extent authorized beyond
fiscal year 2008, from such allocation in an
amount not to exceed its basic amount com-
puted pursuant to subsections (c) and (d).

(c) COMPUTATION OF AMOUNT ALLOCATED TO METROPOLITAN CITIES AND URBAN COUNTIES.—

(1) VULNERABILITY AND THREAT FACTORS.—

The Secretary shall calculate the amount to be
allocated to each metropolitan city, which
shall bear the same ratio to the allo-
cation for all metropolitan cities as the
weighted average of—

(A) the population (including tourist, mili-
tary, and commuter populations) of the
metropolitan city divided by the population
of all metropolitan cities;

(B) the population density of the metro-
politan city divided by the population
density of all metropolitan cities;

(C) the proximity of the metropolitan city to
international borders;

(D) the vulnerability of the metropolitan city as it pertains to the security of energy infrastructure;

(E) the vulnerability of the metropolitan city as it pertains to nuclear security;

(F) the vulnerability of the metropolitan city as it pertains to land and water port security;

(G) the vulnerability of the metropolitan city as it pertains to the security of energy infrastructure;

(H) the vulnerability of the metropolitan city as it pertains to the security of inland waterway infrastructure;

(I) the vulnerability of the metropolitan city as it pertains to the security of freight and
passenger rail transportation infrastructure;

(J) the vulnerability of the metropolitan city as it pertains to the security of aviation infrastructure;

(K) the vulnerability of the metropolitan city based upon information from the Department of Homeland Security;

(L) the proximity of the metropolitan city to the nearest national icons and Federal facilities that may be a terrorist target, as determined by the Department of Homeland Security, and the proximity of all metropoli-
tan cities to the nearest national icons and
Federal buildings that may be a terrorist target, as determined by the Department of Homeland Security;

(M) the threat to the metropolitan city based upon information from the Department of Homeland Security;

(N) the population remaining after allocations have been made to Indian tribes under subsection (a), that are located within 50 miles of a United States land or water port, not to exceed
100.

(2) VULNERABILITY AS IT PERTAINS TO INDUSTRIAL INFRASTRUCTURE SECURITY.—If a metropoli-
tan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, the largest commercial airports, nuclear power plants, compressors, and other significant components of critical energy infrastructure as identified by the Department of Energy or the Department of Homeland Security, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical energy infrastructure, not to exceed 100.

(3) VULNERABILITY AS IT PERTAINS TO TRANSPORTATION INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, major passenger or cargo airports that are significant components of the Nation’s air transportation infrastructure as identi-
fied by the Department of Transportation, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical inland waterway infrastructure, not to exceed 100.

(4) VULNERABILITY AS IT PERTAINS TO TRANSPORTATION INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, the largest railroad hubs, and other significant components of critical freight and passenger rail infrastructure, as identified by the Department of Transpor-
tation, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical highway infrastructure, not to exceed 100.

(5) VULNERABILITY AS IT PERTAINS TO CRITICAL WATER INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, water ports by metric tons and value, as identified by the Department of Transportation, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical waterway infrastructure, not to exceed 100.

(6) VULNERABILITY AS IT PERTAINS TO CRITICAL ENERGY INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, nuclear power plants, fossil fuel power plants, and other significant components of critical energy infrastructure as identified by the Department of Energy or the Department of Homeland Security, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical energy infrastructure, not to exceed 100.

(7) VULNERABILITY AS IT PERTAINS TO CRITICAL WATER INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, water ports by metric tons and value, as identified by the Department of Transportation, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical waterway infrastructure, not to exceed 100.

(8) VULNERABILITY AS IT PERTAINS TO CRITICAL ENERGY INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, nuclear power plants, fossil fuel power plants, and other significant components of critical energy infrastructure as identified by the Department of Energy or the Department of Homeland Security, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical energy infrastructure, not to exceed 100.

(9) VULNERABILITY AS IT PERTAINS TO CRITICAL WATER INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, water ports by metric tons and value, as identified by the Department of Transportation, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical waterway infrastructure, not to exceed 100.

(10) VULNERABILITY AS IT PERTAINS TO CRITICAL ENERGY INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, nuclear power plants, fossil fuel power plants, and other significant components of critical energy infrastructure as identified by the Department of Energy or the Department of Homeland Security, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical energy infrastructure, not to exceed 100.

(11) VULNERABILITY AS IT PERTAINS TO CRITICAL WATER INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, water ports by metric tons and value, as identified by the Department of Transportation, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical waterway infrastructure, not to exceed 100.

(12) VULNERABILITY AS IT PERTAINS TO CRITICAL ENERGY INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, nuclear power plants, fossil fuel power plants, and other significant components of critical energy infrastructure as identified by the Department of Energy or the Department of Homeland Security, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical energy infrastructure, not to exceed 100.

(13) VULNERABILITY AS IT PERTAINS TO CRITICAL WATER INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, water ports by metric tons and value, as identified by the Department of Transportation, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical waterway infrastructure, not to exceed 100.

(14) VULNERABILITY AS IT PERTAINS TO CRITICAL ENERGY INFRASTRUCTURE SECURITY.—If a metropolitan city is among the 100 metropolitan cities that are closest to, or within 50 miles of, nuclear power plants, fossil fuel power plants, and other significant components of critical energy infrastructure as identified by the Department of Energy or the Department of Homeland Security, the ratio under paragraph (1)(N) shall be 1 di-
vided by the total number of metropolitan
cities that are located within 50 miles of critical energy infrastructure, not to exceed 100.
attack, the ratio under paragraph (1)(L) shall be 1 divided by the total number of metropolitan cities that are located within 50 miles of such icons or Federal buildings, not to exceed 100.

(M) INTELLIGENCE.—If a metropolitan city is among the 100 metropolitan cities that have been identified by the Department of Homeland Security as being special alert or heightened alert status for the longest periods of time, the ratio under paragraph (1)(M) shall be 1 divided by the total number of metropolitan cities that have been identified by the Department of Homeland Security, not to exceed 100.

(P) COMPUTATION OF AMOUNT ALLOCATED TO URBAN COUNTIES.—

(1) VULNERABILITY AND THREAT FACTORS.—The Secretary shall determine the amount to be paid to each urban county, which shall bear the same ratio to the allocation for all urban counties as the weighted average of:

(A) the population (including tourist, military, and commuting populations) of the urban county divided by the population of all urban counties;

(B) the population density of the urban county;

(C) the proximity of the urban county to international borders;

(D) the vulnerability of the urban county as it pertains to chemical security;

(E) the vulnerability of the urban county as it pertains to nuclear security;

(F) the vulnerability of the urban county as it pertains land and water port security;

(G) the vulnerability of the urban county as it pertains to the security of energy infrastructure;

(H) the vulnerability of the urban county as it pertains to the security of inland waterway infrastructure;

(I) the vulnerability of the urban county as it pertains to the security of freight and passenger rail transportation infrastructure;

(J) the vulnerability of the urban county as it pertains to the security of aviation infrastructure;

(K) the vulnerability of the urban county as it pertains to the security of agriculture infrastructure;

(L) the proximity of the urban county to the nearest national icons and Federal facilities that may be a terrorist target, as determined by the Department of Homeland Security, and the proximity of all urban counties to the national icons and Federal buildings that may be a terrorist target, as determined by the Department of Homeland Security;

(M) the extent to which the urban county based upon information from the Department of Homeland Security;

(2) CLARIFICATION OF COMPUTATION RATIOS.—

(A) RELATIVE WEIGHT OF FACTORS.—In determining the weighted average of the ratios under paragraph (1)—

(i) the procedure defined in paragraph (1)(M) shall constitute 25 percent;

(ii) population, as defined in paragraph (1)(A), shall constitute 20 percent;

(iii) population density, as defined in paragraph (1)(B), shall constitute 15 percent; and

(iv) the remaining factors shall be equally weighted.

(B) POPULATION DENSITY.—The population density ratio shall be 1 divided by the total number of urban counties, not to exceed 100.

The urban counties shall be ranked according to the ratio of their populations in calculating the weighted average of this factor.

(C) PROXIMITY TO INTERNATIONAL BORDERS.—If an urban county is located within 50 miles of a national border, the ratio under paragraph (1)(C) shall be 1 divided by the total number of urban counties, not to exceed 100.

(D) VULNERABILITY AS IT PERTAINS TO CHEMICAL SECURITY.—If an urban county is within 50 miles of a commercial chemical facility as determined by the Department of Transportation, the ratio under paragraph (1)(D) shall be 1 divided by the total number of urban counties that are located within 50 miles of a commercial chemical facility, not to exceed 100.

(E) VULNERABILITY AS IT PERTAINS TO INFRASTRUCTURE SECURITY.—

(F) VULNERABILITY AS IT PERTAINS TO PORT SECURITY.—If an urban county is located within 50 miles of a port, the ratio under paragraph (1)(F) shall be 1 divided by the total number of urban counties that are located within 50 miles of a port, not to exceed 100.

(G) VULNERABILITY AS IT PERTAINS TO ENERGY INFRASTRUCTURE SECURITY.—If an urban county is among the 100 urban counties that are located within 50 miles of such icons or Federal buildings, not to exceed 100.

(H) VULNERABILITY AS IT PERTAINS TO INFRASTRUCTURE SECURITY.—

(I) INDEPENDENT CITIES.—

(1) IN GENERAL.—In computing amounts or exclusions under subsection (d) with respect to any urban county, units of general local government located in the county that are not included in the population of the county in determining the eligibility of the county to receive a grant under this subsection shall be excluded, except that any independent city (as defined by the Bureau of the Census) shall be included if it—

(A) is not part of any county;

(B) is not slightly contiguous to the county;

(C) is contiguous to the urban county;

(D) has entered into cooperation agreements with the urban county that provide that the urban county is to undertake or to assist in the undertaking of essential community development and housing assistance activities with respect to such independent city and

(E) is not included as a part of any other unit of general local government for purposes of this section.

(2) INDEPENDENT CITIES.—Any independent city that is included in any fiscal year for purposes of computing amounts pursuant to the preceding sentence shall not be eligible to receive assistance under subsection (i) for that fiscal year.

(J) INCLUSIONS.—

(1) LOCAL GOVERNMENT STRADDLING COUNTY LINE.—In computing amounts under subsection (d) with respect to any urban county, there shall be included all of the area of any unit of local government which is part of, but is not located entirely within the boundaries of, such urban county if—

(A) the part of such unit of local government is within the boundaries of such urban county would otherwise be included in computing the amount for such urban county under this section; and

(B) the county in which such unit of local government that is not within the boundaries of such urban county is not included as a part...
of any other unit of local government for the purpose of this section.

(2) USE OF GRANT FUNDS OUTSIDE URBAN COUNTY.—Any amount received under this section by a metropolitan city or an urban county described in paragraph (1) may be used with respect to the part of such unit of local government that is outside the boundaries of such urban county.

(g) POPULATION.—

(1) EFFECT OF CONSOLIDATION.—Where data are available, the amount to be allocated to a metropolitan city or urban county that has been formed by the consolidation of 1 or more metropolitan cities within an urban county shall be equal to the sum of the amounts that would have been allocated to these metropolitan cities and the balance of the consolidated government, if such consolidation had not occurred.

(2) LIMITATION.—Paragraph (1) shall apply only to a consolidation that—

(A) included all metropolitan cities that received grants under this section for the fiscal year preceding such consolidation and that were located within the urban county;

(B) included the entire urban county that received a grant under this section for the fiscal year preceding such consolidation; and

(C) was effective after January 1, 2005.

(3) GROWTH RATE.—The population growth rate of all metropolitan cities defined in section 3(a)(6) shall be based on the population of—

(A) metropolitan cities other than consolidated governments the grant for which is determined under this paragraph; and

(B) cities that were metropolitan cities before their incorporation into consolidated governments.

(4) ENTITLEMENT SHARE.—For purposes of calculating the entitlement share for the balance of the consolidated government under this subsection, the entire balance shall be considered to have been an urban county.

(h) REALLOCATION.—

(1) IN GENERAL.—Except as provided under paragraph (2), any amounts allocated to a metropolitan city or an urban county under this section that are not received by the city or county for a fiscal year because of failure to meet the requirements of subsection (a) or (b) of section 5, or any amounts that were reallocated before the change in the boundaries of the city or county under this subsection that are not reallocated in the succeeding fiscal year to the other metropolitan cities and urban counties in the same metropolitan area for that fiscal year, may be reallocated to other metropolitan cities and urban counties in the same metropolitan area for that fiscal year.

(2) TRANSFER.—Notwithstanding paragraphs (1) and (2), the Secretary may, upon request, transfer to any metropolitan city the responsibility for the administration of any amounts received, but not obligated, by the urban county in which such city is located if—

(A) such city was an included unit of general local government in such county prior to the qualification of such city as a metropolitan city;

(B) such amounts were designated and received for use in such city prior to the qualification of such city as a metropolitan city; and

(C) such city and county agree to such transfer of responsibility for the administration of such amounts.

(i) ALLOCATION TO STATES ON BEHALF OF NON-QUALIFYING COMMUNITIES.—

(1) IN GENERAL.—Of the amount appropriated or otherwise made available after allocations under subsections (a) and (b), the Secretary shall allocate 30 percent among the States for use in nonqualifying communities.

(2) ALLOCATION FORMULA.—

(A) FACTORS.—The Secretary shall make the allocation for each State based on factors such as vulnerability, population, population density, the presence of critical infrastructure, and other factors considered appropriate by the Secretary.

(B) PRO-RATA REDUCTION.—The Secretary shall make a pro rata reduction of each amount allocated to the nonqualifying communities in each State under subparagraph (A) so that the nonqualifying communities in each State will receive the same percentage of the total amount available under this subsection as that percentage of the communities that would have received the total amount available had equaled the total amount allocated under subparagraph (A).

(i) DISTRIBUTION.—

(A) STATE DISTRIBUTION.—Each State shall distribute amounts it receives under this subsection to units of general local government located in nonqualifying areas of the State in such manner and at such time as the Secretary shall prescribe, consistent with the statement submitted under section 5(a), and not later than 45 days after the date on which the Secretary allocates such amounts from the Federal Government.

(B) CERTIFICATION.—Before a State may receive or distribute amounts allocated under this subsection, the State must certify that—

(i) with respect to units of general local government in nonqualifying areas, the State provides, or will provide, technical assistance to units of general local government in connection with homeland security initiatives;

(ii) the State will not refuse to distribute such amounts to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government for its homeland security objectives, except that the State may not exercise its discretion under this subsection to establish priorities among units of general local government for purposes of this subsection;

(iii) the State has consulted with local elected officials from among units of general local government located in nonqualifying areas of the State that is determining the method of distribution of funds required by subparagraph (A); and

(iv) each unit of general local government to be distributed funds will be required to identify its homeland security objectives, and the activities to be undertaken to meet such objectives.

(2) MINIMUM AMOUNT.—

(A) IN GENERAL.—Except as provided under subparagraph (B), each State shall be allocated for each fiscal year under this Act and under this section, the greater of—

(i) 0.45 percent of the total amount appropriated or otherwise made available for distribution in any fiscal year to grants to States that are located on an international border; or

(ii) 0.25 percent of the total amount appropriated or otherwise made available for distribution in any fiscal year to grants to States that are not located on an international border under this section;

(B) PRO-RATA REDUCTION AND INCREASE.—

(i) REDUCTION.—If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section is insufficient to provide the
ameters to which metropolitan cities and urban counties would be entitled under this section, and funds are not otherwise ap- propriated to meet the deficiency, the Secretary shall determine whether to appropriate funds in accordance with the reduction of all amounts determined under this section.

(2) INCREASE.—If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section exceeds the amounts to which metropolitan cities and urban counties would be entitled under this section, the Secretary shall distribute the excess through a pro rata increase of all amounts determined under this section.

SEC. 8. STATE AND REGIONAL PLANNING AND COMMUNICATION SYSTEMS.

(a) ALLOCATIONS.—From the amounts appro- priated pursuant to section 4(b)(3), the Secretary shall allocate $2,000,000,000 to States, regional cooperatives, and units of general local government for—

(1) homeland defense planning within the States;

(2) providing increased security through additional first responder personnel;

(3) purchasing and refurbishing personal protective equipment for first responder per- sonnel;

(4) homeland defense planning within the regions;

(5) the development and maintenance of Statewide training facilities and homeland security best-practices clearinghouses; and

(6) the development and maintenance of communications systems that can be used between and among first responders, includ- ing law enforcement, fire, and emergency medical personnel.

(b) USE OF FUNDS.—Of the amount allo- cated under subsection (a),

(1) $500,000,000 shall be used by the States for homeland defense planning and coordina- tion within each State;

(2) $55,000,000 shall be used by regional co- operations and regional, multistate, or intra- state authorities for homeland defense planning and coordination within each region;

(3) $35,000,000 shall be used by the States to develop and maintain statewide training fa- cilities and best-practices clearinghouses; and

(4) $400,000,000 shall be used by the States and units of general local government to de- velop and maintain communications systems that can be used between and among first re- sponders at the State and local level, includ- ing law enforcement, fire, and emergency personnel.

(c) ALLOCATIONS TO STATES.—

(1) IN GENERAL.—Amounts allocated to States under this section shall be allocated among the States based on factors such as threat, vulnerability, population, population density, the presence of critical infrastruct- ure, and other factors considered appro- priate by the Secretary.

(2) MINIMUM AMOUNT PROVISION.—The provi- sion under section 7(i)(4) relating to a mini- mum amount shall apply to amounts allo- cated to States under this section.

(3) LOCAL COMMUNICATIONS SYSTEMS.—

(A) IN GENERAL.—Not less than 50 percent of the amounts allocated under subsection (b)(4) shall be used for the development and maintenance of local communications sys- tems.

(B) DISTRIBUTION OF FUNDS.—Each State shall distribute amounts reserved for local communications systems in that State under subsection (b) to units of general local government not later than 45 days after the State receives such amounts from the Federal Government.

(c) ALLOCATIONS TO REGIONAL COOPER- ATIONS.—Funds allocated under subsection (b)(2) shall be allocated to regional cooper-
General and other Federal departments and agencies administering Federal grant-in-aid programs.

SEC. 16. INTERSTATE AGREEMENTS OR COM- PACTS; PUR-PURPOSES.

The consent of Congress is hereby given to any 2 or more States to enter into agreements or compacts, not in conflict with any law of the United States:

(1) for cooperative effort and mutual assistance in support of homeland security planning and programs carried out under this Act so as to pertain to interstate areas and to localities within such States; and

(2) to establish such agencies, joint or otherwise, that the States consider desirable for making such agreements and compacts effective.

SEC. 17. MATCHING REQUIREMENTS; SUSPEN- SION OF REQUIREMENTS FOR ECO- NOMICALLY DISTRESSED AREAS.

(a) MATCHING REQUIREMENT.—Grant recipi- ents shall contribute, from funds other than those available under this Act, an amount equal to 10 percent of the total funds re- ceived under this Act, which shall be used in accordance with the grantee’s statement of home- and community-based services.

(b) WAIVER FOR ECONOMIC DISTRESS.—The Secretary may temporarily suspend the matching require- ment under subsection (a) for grant recipi- ents if the Secretary determines that being economically distressed.

By Mr. LEVIN (for himself and Mr. JEFFORDS):

S. 141. A bill to amend part A of title IV of the Social Security Act to allow up to 24 months of vocational educa- tional training to be counted as a work activity under the temporary as- sistance to needy families program; to the Committee on Finance.

I am pleased to be joined by Senator JEFFORDS in reintroducing legislation that seeks to add an important mea- sure of flexibility to a provision of the Temporary Assistance for Needy Families program, TANF, under the Per- sonal Responsibility and Work Oppor- tunity Reconciliation Act of 1996. The legislation we are introducing in- creases the limit on the amount of vo- cational training that a State can count towards meeting its work participation rate, from 12 to 24 months.

This legislation enjoys the support of the American Association of Univer- sity Women, with over 100,000 mem- bers; The Workforce Alliance, a coal- ition of experienced leaders nationwide from the field of workforce development, who know what works in pre- paring people for jobs; the National As- sociation of State Directors of Career Technical Education Consortium; the Center for law and Social Policy and the American Association of Com- munity Colleges.

Under the pre–1996 Aid to Families with Dependent Children program, re- cipients could participate in post-secondary vocational training or community college programs for up to 24 months. While I support TANF’s emphasis on moving welfare recipients more quickly into jobs, I am troubled by the restriction on post-secondary education training, limiting it to 12 months. One year of vocational educa- tion is, under current law, an ap- proved work activity, but the second year of post-secondary education study is not.

The limitation on post-secondary education and training raises a number of concerns, not the least of which is whether the vocational skills received are of suffi- cient quality to lead to lower paying, short-term employment that will help them back onto public assistance because they are unable to support themselves or their families. Well, according to recent studies, this is exactly what has happened in far too many cases.

According to a findings of the Congres- sional Research Service, although the majority of recipients who have returned to the workforce do so left behind because they became employed, most remained poor. The research also revealed that the hourly wage for these former welfare recipients ranged from $5.50 to $8.80 per hour.

Study after study indicates that short-term training programs raise the income of workers only marginally, while completion of at least a 2-year associate degree has the greater poten- tial of breaking the cycle of poverty for welfare recipients. According to the U.S. Census Bureau, the mean earnings of adults with an associate degree are 20 percent higher than adults who have not achieved such a degree.

In June of 2003, we were very pleased that our proposal was included in the Senate Finance Committee reported bill, which reauthorized TANF. How- ever, the reauthorization bill was not considered by the full Senate. Rather the Temporary Assistance for Needy Families Act has been twice extended. It is our hope that the Senate will again act favorably and expeditiously on this legislation and that the House will support this much-needed State flexibility. We must do what is nec- essary to achieve TANF’s intended goal of getting people off of welfare and onto self-sufficiency.

All citizens should have the opportu- nity to become productive and suc- cessful members of the workforce. Again, I urge my colleagues to act quickly on this legislation. This modi- fication will give States the flexi- bility they need to improve the eco- nomic status of families across Amer- ica.

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

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

S. 143. Be it enacted by the Senate and House of Rep- resentatives of the United States of America in Congress assembled.

SECTION 1. INCREASE IN NUMBER OF MONTHS OF VocATIONAL EDUCATIONAL TRAINING COUNTED AS A WORK AC- TIVITY UNDER THE TANF PROGRAM.

Section 407(d)(8) of the Social Security Act (42 U.S.C. 607(d)(8)) is amended by striking “12” and inserting “24”.

By Mr. DAYTON:

S. 143. A bill to ensure that Members of Congress do not receive better pre- scription drug benefits than Medicare beneficiaries; to the Committee on Homeland Security and Governmental Affairs.

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

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

S. 143. Be it enacted by the Senate and House of Rep- resentatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Tax Relief and Unemployment Assistance Act of 2001”.

SEC. 2. LIMITATION ON PRESCRIPTION DRUG BENEFITS OF MEMBERS OF CON- GRESS.

(a) LIMITATION ON BENEFITS.—Notwith- standing any other provision of law, the ac- tual value of the prescription drug bene- fits of any Member of Congress enrolled in a health benefits plan under chapter 5 of title 5, United States Code, may not exceed the actuarial value of basic prescription drug coverage (as defined in section 1860D–2(a)(3) of the Social Security Act (42 U.S.C. 1395w–2(a)(3)), as added by section 101(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173, 117 Stat. 171)).

(b) REGULATIONS.—The Director of the Office of Personnel Management shall promul- gate regulations to carry out this section.

By Mr. KOHL (for himself and Mr. CORZINE):

S. 144. A bill to change the date for regularly scheduled Federal elections and establish polling place hours; to the Committee on Rules and Adminis- tration.

Mr. KOHL. Mr. President, today I am introducing the Weekend Voting Act. This legislation will change the day for Congressional and Presidential elections from the first Tuesday in Novem- ber to the first weekend in November. This legislation is virtually identical to legislation that I first proposed in 1997 in the 105th Congress and most re- cently reintroduced in the 107th Con- gress.

The last two elections have revealed a glaring need for us to rethink how we conduct elections in our Nation. The 2000 election galvanized Congress into passing major election reform legisla- tion. The Help American Vote Act, which was enacted into law in 2002, was an important step forward in estab- lishing minimum standards for states in the administration of federal elections and in providing funds to replace outdated voting systems and improve election administration. The HAVA legislation also created a new federal agency, the Election Assistance Com- mission, to serve as a clearinghouse for election administration information. That Commission is finally on its feet after a delayed start.

However, as the 2004 election made clear, there is much that still needs to be done.

With more and more voters needing to cast their ballots on Election Day, we need to build on the movement
which already exists to make it easier for Americans to cast their ballots by providing alternatives to voting on just one election day. Twenty-six States, including my own state of Wisconsin, now permit any registered voter to vote by absentee ballot. These States constitute 45 percent of the voting age citizens of the United States. Twenty-three states permit in-person early voting at election offices or at other satellite locations. The state of Oregon now conducts statewide elections completed by mail. These innovations have stimulated voting in some California counties, such as San Diego, to the extent that voting in the midterm elections of 1998 surpassed what has been the national average.

In one survey of 44 democracies, 29 percent indicated that holding elections on a non-holiday or weekend would not interfere with religious observances. In the meantime, we have an obligation to do more than investigate. If we are to grant our fellow Americans an equal opportunity to exercise the constitutional right to cast a vote in federal elections, and if we are to grant our fellow Americans an equal opportunity to participate in the electoral process, and to elect our representatives in this great democracy, then we must be willing to reexamine all aspects of voting in America.

I ask unanimous consent that the text of the Weekend Voting Act be printed in the RECORD.

Be it enacted by the Senate and House of Representa
tives in this great democracy, that the elections in each of the States and Territories of the United States, of Representa
tives and Delegates to the Congress commencing on the 3d day of January thereafter.

SEC. 3. CHANGE IN PRESIDENTIAL ELECTION DAY TO SATURDAY AND SUNDAY.

Section 1 of title 3, United States Code, is amended by striking "Tuesday next after the first Monday" and inserting "first Saturday and Sunday after the first Friday".

SEC. 4. POLLING PLACE HOURS IN CONTINENTAL UNITED STATES.

(a) In General.—

(1) PRESIDENTIAL GENERAL ELECTION.—
Chapter 1 of title 3, United States Code, is amended—

(A) by redesignating section 1 as section 1A; and

(b) by inserting before section 1A the following:

"§ 11. Polling place hours in continental United States.

(a) Definitions.—In this section:

(1) CONTINENTAL UNITED STATES means the general election for the office of President and Vice President."

(b) Conforming Amendments.

(b) POLLING PLACE HOURS.

(1) IN GENERAL.—Each polling place in the continental United States shall be open, with respect to a Presidential general election, beginning on Saturday at 6:00 p.m. eastern standard time and ending on Sunday at 6:00 p.m. eastern standard time.

(2) EARLY CLOSING.—A polling place may close between the hours of 12:00 p.m. (midnight) and 5:00 a.m. local time as provided by the law of the State in which the polling place is located.

(c) CONGRESSIONAL GENERAL ELECTION.—

Section 25 of the Revised Statutes (2 U.S.C. 7) is amended—

(A) by redesigning section 25 as section 25A; and

(b) by inserting before section 25A the following:

"§ 25. Polling place hours in the continental United States.

(a) Definitions.—In this section:

(1) CONTINENTAL UNITED STATES means a State (other than Alaska and Hawaii) and the District of Columbia.

(2) CONGRESSIONAL GENERAL ELECTION.—

The term "congressional general election" means the election for representatives in the United States House of Representatives or Senator from the United States, held outside of the regular election cycle of the President and Vice President of the United States.

(b) Polling Place Hours.—

(1) IN GENERAL.—Each polling place in the continental United States shall be open, with respect to a congressional general election, beginning on Saturday at 6:00 p.m. eastern standard time and ending on Sunday at 6:00 p.m. eastern standard time.

(2) EARLY CLOSING.—A polling place may close between the hours of 12:00 p.m. (midnight) and 5:00 a.m. local time as provided by the law of the State in which the polling place is located.

(c) CONFORMING AMENDMENTS.—

(1) The table of sections for chapter 1 of title 3, United States Code, is amended by striking the item relating to section 1 and inserting the following:
Mr. ALLARD. The emphasis here must be on the process, democratic, deliberative, and responsive to the electorate, not to just appointed judges and lawyers. We want the American public to have a say in this debate. Courtrooms are not the place for this important decision about the most fundamental institution of mankind, and that is the definition of marriage. Courts should interpret the law, not write it.

So we are eager to begin to have hearings, to talk about the research, to debate and have constructive dialog on this very important issue. It is important to the American people. It is important we continue to move forward with the momentum that has evolved as a result of our debate last year and the momentum that has evolved as a result of the elections of this past fall.

I am excited about introducing the Marriage Protection Amendment, which is exactly the same amendment we debated on the floor of the Senate last year.

Mr. President, before I wrap up, I ask unanimous consent that Senator COBERN be added as an original cosponsor and Senator STEVENS be added as an original cosponsor.

The Marriage Protection Amendment does not override State and local authority. Under the Marriage Protection Amendment, cities, States, and private companies would still be free to determine for themselves civil union, benefit, and partnership definitions.

The Marriage Protection Amendment would not permit the redefining of marriage, a definition agreed upon by every civilization, culture, ethnicity, and religion around the world.

The definition of marriage in itself is not discriminatory. Those who have been opposed to the amendment tried to make that argument in the last session. Even civil rights leaders, Hispanic and African Americans, have said this is not a civil rights issue.

Congress does have a vital role to play in this debate. The policy goals are widely agreed upon. Recent election results illustrate broad support for the definition of marriage.

Mr. President, 14 million voters in 11 States voted for constitutional amendments on November 2, 2004, with an average majority of 67 percent. This reflects great support throughout the country. Some 13 States voted on the ballot issue in 2004.

Mr. President, I ask unanimous consent to have the information on this chart printed in the RECORD, which illustrates what happened in each one of those elections.

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

2004 STATEWIDE BALLOT RESULTS ON MARRIAGE AMENDMENTS

<table>
<thead>
<tr>
<th>State</th>
<th>Date of vote</th>
<th>Referred by</th>
<th>Vote in legislature</th>
<th>Signatures required</th>
<th>Signatures turned in</th>
<th>Certified by SOS</th>
<th>Outcome of vote</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>Nov. 2</td>
<td>People's Initiative</td>
<td>N/A</td>
<td>80,570</td>
<td>200,000</td>
<td>Certified</td>
<td>Y: 75</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>Nov. 2</td>
<td>Legislature</td>
<td>S: 40-34</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Passed</td>
<td>Y: 77</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Nov. 2</td>
<td>Legislature</td>
<td>S: 33-4 to 3-3</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Passed</td>
<td>N: 23</td>
</tr>
<tr>
<td>Louisiana</td>
<td>Sept. 18</td>
<td>Legislature</td>
<td>S: 31-6</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Passed</td>
<td>N: 75</td>
</tr>
<tr>
<td>Michigan</td>
<td>Nov. 2</td>
<td>People's Initiative</td>
<td>N/A</td>
<td>317,757</td>
<td>500,000</td>
<td>Certified</td>
<td>Y: 59</td>
<td></td>
</tr>
<tr>
<td>Mississipi</td>
<td>Nov. 2</td>
<td>Legislature</td>
<td>S: 51-0 to 0-1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Passed</td>
<td>N: 41</td>
</tr>
<tr>
<td>Missouri</td>
<td>Aug. 3</td>
<td>Legislature</td>
<td>S: 36-6</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Passed</td>
<td>N: 86</td>
</tr>
<tr>
<td>Montana</td>
<td>Nov. 2</td>
<td>People's Initiative</td>
<td>N/A</td>
<td>41,000</td>
<td>70,000</td>
<td>Certified</td>
<td>Y: 70.8</td>
<td></td>
</tr>
<tr>
<td>North Dakota</td>
<td>Nov. 2</td>
<td>People's Initiative</td>
<td>N/A</td>
<td>25,688</td>
<td>52,000</td>
<td>Certified</td>
<td>Y: 73</td>
<td></td>
</tr>
<tr>
<td>Ohio</td>
<td>Nov. 2</td>
<td>People's Initiative</td>
<td>N/A</td>
<td>322,899</td>
<td>Waiting for</td>
<td>Passed</td>
<td>Y: 62</td>
<td></td>
</tr>
<tr>
<td>Oklahoma</td>
<td>Nov. 2</td>
<td>Legislature</td>
<td>S: 38-7</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Passed</td>
<td>N: 34</td>
</tr>
<tr>
<td>Oregon</td>
<td>Nov. 2</td>
<td>People's Initiative</td>
<td>N/A</td>
<td>100,840</td>
<td>204,360</td>
<td>Certified</td>
<td>Y: 76</td>
<td></td>
</tr>
</tbody>
</table>

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

Mr. ALLARD. Again, in conclusion, I thank the leadership for their support and my colleagues for their support on this particular amendment. We had a number of elections for Senate seats where this was a very important issue and critical to the election of many of our new Members in the Senate. We have at least five votes that have switched as a result of this election. I think that is the American people having an opportunity to speak their mind.
I can say, this amendment is to protect the voice of the American people. The proper way to have this debate is in the legislative bodies of America. That includes the Congress and each and every legislature.

Again, I am an admirer for his leadership on this particular issue. I also thank my colleagues who showed up at the press conference this morning to talk about this issue, particularly Senator SANTORUM, Senator HUTCHISON, Senator SESSIONS, and Senator THUNE who joined me in the press conference. I thank them for their leadership this morning in that press conference.

Mr. ALLARD. Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S. J. Res. 2

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

ARTICLE

SECTION 1. This article may be cited as the ‘Marriage Protection Amendment’.

SECTION 2. Marriage in the United States shall consist only of the union of a man and a woman. Neither this Constitution, nor the constitution of any State, shall be construed to require that marriage or the legal incidents thereof be conferred upon any union other than the union of a man and a woman.

By Mr. CRAIG:

S. J. Res. 2. A joint resolution proposing an amendment to the Constitution of the United States relative to require a balanced budget and protect Social Security surpluses; to the Committee on the Judiciary.

Mr. CRAIG. Mr. President, today I am reintroducing the Balanced Budget Amendment to the Constitution of the United States. When we were in deficit and when we were in surplus, I have always said, if we could adopt one fundamental reform to the way the Federal Government does business, this is it. The fiscal events of the last few years have again demonstrated the need for this long-term, fundamental, permanent reform.

For many Americans, one of the signs of our deep respect for the Constitution is our acknowledgment that, in exceptional cases, a problem rises to such a level that it can be adequately addressed only in the Constitution—by way of a constitutional amendment.

From 1998 through 2001, Congress balanced the Federal budget. These four budget surpluses in a row, for the first time since the 1920s, set the modern record for balancing the Federal budget. The first Republican Congresses in 40 years made balancing the budget our top priority, and did what was necessary, reaching across the aisle and working on a bipartisan basis. We ran surpluses and began the process we needed to pay down the national debt. This in turn promised, among other things, to help us safeguard the future of Social Security.

Then intervened.

A return to budget deficits was caused by an economic recession and a war begun by terrorist attacks. Even before taking office in 2001, President Bush correctly foresaw the coming recession. He described the right medicine—the tax relief that has bolstered the economy and has saved and created jobs. The current economic recovery, in turn, has prevented even worse Federal budget deficits.

The return to deficit spending can and should be a temporary phenomenon. We are rebounding from the recession of 2001 and the body blow to the economy caused by the war with terrorism.

We must do whatever it takes to win that war. Providing for the self-defense and survival of our people and our Nation is the most fundamental responsibility of the Federal Government. That principle has been reflected in every significant balanced budget constitutional amendment, in exceptions for war and imminent military threats. Historically, that principle was followed even when balancing the budget was the norm, because the U.S. GPO was always borrowed when necessary to fight and win a war.

Beyond that, we must keep all other Federal spending under control, so that we return, as soon as possible, to balancing the budget.

In other words, the return to deficit spending will be a temporary problem only if we make a permanent commitment to the moral imperative of fiscal responsibility.

We always did, and always will, need a balanced budget amendment to our Constitution.

Even in the heady days of budget surpluses, I always maintained the only way to guarantee that the Federal Government would stay fiscally responsible was to add a balanced budget amendment to our Constitution.

Before we balanced the budget in 1998, the Government was deficit spending for 28 years in a row and for 59 out of 67 years. The basic law of political economy—was not repealed in 1998, but only restrained some, when we came together and briefly faced up to the great threat to the future posed by decades of debt.

Now, the Government is back to borrowing. And for some, a return to deficit spending seems to have been liberating, as the demands for new spending only seem to be multiplying again.

That is why, today, I am again introducing a balanced budget amendment to the Constitution and calling upon my colleagues to send it to the States for ratification.

The amendment I introduce today is the same one I sponsored in the 108th Congress. This is essentially the same as the amendment that came within a single vote of the two-thirds necessary for passage, twice in two previous Senates. In addition, this amendment would not count the Social Security surplus as a calculation of a balanced budget. Those amounts would be set aside exclusively to meet the future needs of Social Security beneficiaries.

It’s a new day, a new year, and a new Senate. We have the opportunity of a fresh start and, hopefully, the wisdom of experience. Today, with the first piece of legislation I am introducing in the 109th Congress, I call on the Senate to safeguard the future, by considering and passing a balanced budget amendment to the Constitution, a bill of economic rights for our future and our children.

I ask unanimous consent that a copy of this joint resolution, proposing a balanced budget amendment to the Constitution, be printed in the RECORD.

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

S. J. Res. 2

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission by the Congress:

ARTICLE

SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

SECTION 2. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for repayment of debt due on the public debt.

SECTION 3. Any surplus of receipts (including attributable interest) relative to outlays of the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds shall not be counted for purposes of this article. Any deficit of receipts (including attributable interest) relative to outlays of the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds shall be counted for purposes of this article. Any deficit of receipts (including attributable interest) relative to outlays of the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds shall be counted for purposes of this article.

SECTION 4. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

SECTION 5. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

SECTION 6. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

SECTION 7. The Congress may waive the provisions of this article for any fiscal year.
in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes and end serious and substantial threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"Sect. 8. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"Sect. 9. This article shall take effect the second fiscal year beginning after its ratification.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 7—RELATING TO THE DEATH OF HOWARD S. LIEBENGOOD, FORMER SERGEANT AT ARMS OF THE SENATE

Mr. PRIST (for himself, Mr. ALEXANDER, Mr. DOMENICI, Mr. COCHRAN, Mr. HAGEL, Mr. WARNER, Mr. BIDEN, Mr. HART, Mr. DODD, Mr. BAYH, and Mr. GRAHAM) submitted the following resolution; which was considered and agreed to:

S. RES. 7

Whereas Howard S. Liebengood served as a captain in the United States Army Military Police Corps in Vietnam from 1968 to 1970, receiving the Bronze Star and the Army Commendation Medal for his exemplary service; Whereas Howard S. Liebengood began his service to the country in 1973 as minority counsel to the Senate Watergate Committee; Whereas Howard S. Liebengood served as an aide to the Senate Church Committee in 1975, as the minority staff director of the Senate Select Committee on Intelligence in 1976, and as legislative counsel to Senate Majority Leader Howard H. Baker, Jr., in 1980; Whereas Howard S. Liebengood served as Sergeant at Arms of the Senate from 1981 to 1983; Whereas Howard S. Liebengood served as chief of staff to Senator Fred Thompson from 2001 to 2003, and as chief of staff to Senate Majority Leader William H. Frist, M.D., from 2003 until his death in January, 2005; Whereas Howard S. Liebengood was a caring and devoted husband, father, and colleague who served with the utmost humility and distinction and was admired and respected by all as a teacher, adviser, and friend; and Whereas Howard S. Liebengood inspired others through his personal leadership, dedication, and great love for the United States:

Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the maximum Federal Pell Grant for which a student should be eligible during award year 2005-2006 should be $4,500; and

(2) the authorized levels for the Federal Pell Grant maximum amount found in section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) should be set high enough to accommodate a Federal Pell Grant amount of $9,000 by award year 2010-2011.

Ms. COLLINS. Mr. President, I rise today to introduce the first piece of legislation that I will sponsor in the 109th Congress, relying on the Senate to strengthen the Pell grant program so that more families can afford higher education.

The Pell grant program is the single largest source of grant aid for postsecondary education funded by the Federal Government. It provides grants to students based on their level of financial need to support their studies at the institutions they have chosen to attend. For this fiscal year, the Pell program is funded at $12.8 billion and is estimated to serve more than 5 million students.

I am pleased to have Senator FEINGOLD and Senator COLEMAN joining me in this bipartisan effort to marshal additional Federal resources for the Pell program. They each have been a leader in the effort to expand access to higher education.

Our system of higher education is in many ways the envy of the world, but its benefits have not been equitably available. Unfortunately, it is still the case that one of the most determinative factors of whether students will pursue higher education is their family income. Students from families with incomes above $75,000 are more than twice as likely to attend college as students from families with incomes of less than $25,000.

Even more unsettling are studies demonstrating the negative effect of unmet financial need on college attendance for even the most academically prepared students. Among the most highly qualified high school students, those from low-income families were 43 percent less likely to attend college than their wealthier counterparts.

To help remedy these inequities, the Federal Government has wisely invested in a need-based system of student financial aid designed to help remove the economic barriers to higher education. Central to this effort over the past 30 years has been the Pell grant program. This program was designed as the cornerstone of Federal student assistance.

Unfortunately, the purchasing power of the Pell grant has been significantly eroded in recent years, forcing students to rely increasingly on loans to finance their higher education. In 1975, the maximum Pell grant covered approximately 80 percent of the costs of attending a public, 4-year institution. Today, it covers less than half of these costs, forcing students to make up the difference by taking on larger and larger amounts of debt. On average, students from the University of Maine graduate with approximately $18,000 in debt from Federal student loans alone, and this reflects national trends. As startling as this figure is, it does not include additional indebtedness that many students incur through private loans or credit card debt to finance their education.

The decline in the value of grant aid and the growing reliance on loans brings about negative consequences. The staggering amount of debt can force some students to abandon their plans to attend college altogether. According to the College Board, low-income families are significantly less willing, by almost 50 percent, to finance a college education through borrowed money than their wealthier counterparts.

That does not surprise me. Many working families in Maine are committed to living within their means. Understandably, they are extremely wary of the staggering amount of debt that is now required to finance a college education.

I also know this to be true from my experiences as a college administrator at Husson College in Maine. At Husson, 85 to 90 percent of students currently receive some sort of Federal financial aid, and approximately 60 percent of students receive Pell grants.

As Linda Conant, the financial aid director at Husson told me, "I cannot stress enough the importance of working with a family and to explain to them the amount of loans that are needed to finance a post-secondary degree. It
ears them. That is why Pell grant aid is so important for low-income families. For these families, loans don’t always work, but Pell does."

I also heard from Judy Kenney from Northern Maine about the importance of Pell to her. She, like many others, lives in Caribou, not far from my home town of Caribou. Her daughter and son both were able to attend college with the help of Pell grants. As she told me, “At the time, my husband Maylen was farming and having a rough go of it and I was a teacher. It was make much. But the Pell grants my children received made it possible for them to graduate, one from the University of New England and one from Thomas College. Without these grants, they couldn’t have finished and now they are making good wages and paying taxes!”

Judy couldn’t be more right on both counts. Not only can the typical bachelor’s degree recipient expect to earn about 73 percent more over a lifetime than a high school graduate, they also typically contribute 100 percent more in Federal income taxes than the average high school graduate. So this is truly a Federal investment that pays for itself over the long run.

We also believe that having a well-educated workforce is crucial to our economic future and competitiveness in the global economy. The Bureau of Labor Statistics has projected that over the next 10 years, there will be significant job openings requiring at least some post-secondary education. So increasingly, higher education is going to be necessary to ensure employability and to prepare Americans to participate in tomorrow’s economy.

Pell grants make the difference in whether students have access to higher education, and a chance to participate fully in the American dream. That is why today I am introducing a resolution calling on the Senate to begin restoring the value of the Pell grant program.

This resolution calls on the Senate to raise the Pell maximum grant award to $4,500, a $450 increase in a single year. This increase is long overdue. The maximum grant award has been essentially frozen and has not kept pace with inflation or rising tuition costs. For 2004—2005, the average costs of tuition and fees for a public, 4-year institution rose by over 10 percent.

I will ask unanimous consent to have a letter of support for my legislation printed in the RECORD. This letter is from the Student Aid Alliance, a coalition of more than 60 organizations representing students, colleges and universities, supports the passage of the Collins-Feingold resolution to increase the Pell Grant maximum award to $4,500 in the 2005-06 award year, and to double the maximum over the next 5 years. We urge the Senate to adopt this legislation, which paves the way toward achieving increased support for students seeking to finance a college education.

The Pell Grant program is one of the most successful programs that the federal government has ever initiated. It has financed the education of millions of college students who are now contributing members of society—doctors, teachers, mayors, and members of Congress. It is rooted in the abiding American value that one’s aspirations—not one’s circumstance—should determine the shape of one’s future.

Increasing the Pell Grant maximum award by $450 is vitally important to the millions of college students who have seen no increase in their grants for the past three years in a row. During this period, the college-age population has continued to expand, states have been cutting their investments in higher education, and family savings have been diminished by economic losses. Increasing the Pell Grant maximum award is an essential and necessary component of keeping college possible for these students.

Passage of the Collins-Feingold resolution will signal Congress’ interest in and support of America’s neediest students. We encourage you to support this important legislation.

Sincerely,

DAVID WARD, Co-Chair.

January 24, 2005

Oh, 15,200. An additional $450 in Pell grant aid may very well be the deciding factor on whether these students can pursue their college dreams.

The resolution also calls on the Senate to amend the Higher Education Act to provide higher authorization levels for the Pell maximum grant that would allow for a doubling of the maximum grant to $9,000 over the next 5 years. This is an ambitious goal but a worthy one for a nation that understands the opportunities that a college education brings.

As my colleagues know, the Higher Education Act is expected to be reauthorized this year. As the Senate HELP Committee considers the reauthorization, it is my hope that this resolution will prompt a discussion about the need for the Pell Grant program.

I know that my good friends Senator ENZI, the new chairman of the Senate HELP Committee; Senator KENNEDY, the ranking member; Senator ALEXANDER, the chairman of the new Education and Early Childhood Development Subcommittee; and his Democratic counterpart will all work hard with other committee members to produce a strong reauthorization bill. I look forward to working with them further; they are all champions of ensuring greater access to quality education for all Americans, regardless of their financial means.

The President also has recently announced his intention to include a proposal in his 2006 budget request to eliminate the Pell shortfall and to provide an increase in the maximum grant from $5,100 for each of the next 5 years. I commend the President for focusing on Pell grants, and I hope that we can work together to provide a more substantial increase for the maximum grant for the upcoming year. An increase of approximately $100 for each of the next 5 years will not be enough to increase the purchasing power of Pell grants and will not keep pace with inflation or rising tuition costs. For 2004—2005, the average costs of tuition and fees for a public, 4-year institution rose by over 10 percent.

I will ask unanimous consent to have a letter of support for my legislation printed in the RECORD. This letter is from the Student Aid Alliance, a coalition of more than 60 organizations representing students, colleges and universities, supports the passage of the Collins-Feingold resolution to increase the Pell Grant maximum award to $4,500 in the 2005-06 award year, and to double the maximum over the next 5 years. We urge the Senate to adopt this legislation, which paves the way toward achieving increased support for students seeking to finance a college education.

The Pell Grant program is one of the most successful programs that the federal government has ever initiated. It has financed the education of millions of college students who are now contributing members of society—doctors, teachers, mayors, and members of Congress. It is rooted in the abiding American value that one’s aspirations—not one’s circumstance—should determine the shape of one’s future.

Increasing the Pell Grant maximum award by $450 is vitally important to the millions of college students who have seen no increase in their grants for the past three years in a row. During this period, the college-age population has continued to expand, states have been cutting their investments in higher education, and family savings have been diminished by economic losses. Increasing the Pell Grant maximum award is an essential and necessary component of keeping college possible for these students.

Passage of the Collins-Feingold resolution will signal Congress’ interest in and support of America’s neediest students. We encourage you to support this important legislation.

Sincerely,

DAVID WARD, Co-Chair.

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

2005 LIST OF MEMBERS
American Association for Higher Education
American Association of Colleges for Teacher Education
American Association of Colleges of Pharmacy
American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Dental Education Association
American Association of State Colleges and Universities
American Psychological Association
American Society for Engineering Education
American Student Association of Community Colleges
American Psychological Association
American Society for Engineering Education
American University Professors
American College Personnel Association
American College Testing
American Council on Education
American Indian Higher Education Consortium
American Jewish Congress
American Psychological Association
American Society for Engineering Education
American Student Association of Community Colleges
APPA: The Association of Higher Education Facilities Officers
Association of Academic Health Centers
Association of Advanced Rabbinical and Talmudic Schools
Association of American Colleges and Universities
Whereas military families, through their sacrifices and dedication to our Nation,
and its values, represent the bedrock upon
which our Nation continues to rely in these perilous and challenging times: Now, there-
fore, be it

Resolved, That it is the sense of the Sen-
ate—
(1) that the month of November should be
designated as “National Military Family
Month”; and
(2) to request that the President—
(A) designate the month of November as
“National Military Family Month”; and
(B) issue a proclamation calling upon the
people of the United States to observe the
month with appropriate ceremonies and ac-
tivities.

Mr. INOUYE. Mr. President, today I
rise to honor all our military families by
introducing a resolution to des-
ignate November as National Military
Family Month. As we all know, memo-
ries fade and the hardships experienced
by our military families are easily for-
gotten unless they touch our own im-
mediate family.

Today, we have our men and women
deployed all over the world, engaged in
this war on terrorism. These far-rang-
ing military deployments are ex-
tremely difficult on the families who
bear this heavy burden.

To honor these families, the Armed
Services YMCA has sponsored Military
Family Week in late November since
1996. However, due to frequent “short
week” conflicts around the Thanks-
giving holidays, the designated week
has not always afforded enough time
to schedule observance on and near our
military bases.

I believe a month long observation
will allow greater opportunity to plan
events. Moreover, it will provide a
greater opportunity to stimulate media
support.

A resolution will help pave the way
for this effort. I ask my colleagues to
join me in supporting this tribute to
our military families.

SENATE CONCURRENT RESO-
LUTION 3—EXPRESSING THE SENSE
OF THE CONGRESS WITH RES-
PECT TO THE MURDER OF EM-
METT TILL

Mr. SCHUMER (for himself and Mr.
TALENT) submitted the following con-
current resolution; which was referred to
the Committee on the Judiciary:

S. CON. RES. 3

Whereas Emmett Till was born in Chicago,
Illinois, at Cook County Hospital, on July 25,
1941, to Mamie and Louis Till;

Whereas Emmett Till traveled to Money,
Mississippi, to spend the summer with his
uncle, Moses Wright, and his relatives;

Whereas in August 1955, 14-year-old Em-
mett Till—with adolescent flamboyance, but
unfamiliarity of the racial customs of the
South—allegedly whistled at Carolyn Bry-
ant, a white woman;

Whereas on August 28, at about 2:30 a.m.,
Roy Bryant, Carolyn Bryant’s husband, and
his half brother, J.W. Milam, kidnapped Em-
mett Till from his uncle Moses Wright’s home;

Whereas Bryant and Milam brutally beat
Emmett Till, took him to the edge of the
Tallahatchie River, shot him in the head,
and dumped his maimed body into the river;

Whereas 3 days later, Emmett Till’s de-
composed corpse was pulled from the Talla-
hatchie River;

Whereas Emmett’s mother, Mamie Till,
made the extraordinary decision to have the
casket open at her son’s funeral in Chicago,
in order to allow the world to see the bru-
tality of the crime perpetrated against her
son;

Whereas tens of thousands of people viewed
Emmett Till’s body in a Chicago church for
4 days; and press from around the world pub-
lished photographs of Emmett’s maimed
face; and the sheer brutality of his murder
became international news that highlighted
the violent racism of the Jim Crow South;

Whereas Jet Magazine and the Chicago De-
fender published photographs of Emmett
Till’s body outraging African-Americans around the United States;

Whereas the trial of J.W. Milam and Roy
Bryant began in September of that year with
an all-male, all-White jury, because African-
Americans and women were banned from
serving;

Whereas the trial of Milam and Bryant was
a microcosm of the Jim Crow South: Afri-
can-Americans were packed in a specific sec-
tion of the courtroom balcony; the defend-
ants’ families were seen laughing and joking
with the prosecution and the jury; and food
and snacks were passed out to White observ-
ers;

Whereas Moses Wright did the unthinkable
as an African-American and openly accused
the White defendants in public court of mur-
dering his nephew;

Whereas Moses Wright was run out of town
for his actions in court. Bryant got 1 month
shortly before

Whereas J.W. Milam and Roy Bryant were
acquitted of the murder of Emmett Till, and
Bryant celebrated his acquittal with his wife
in front of the camera;

Whereas protected from further prosecu-
tion, Milam and Bryant candidly confessed
their torture and murder of Emmett Till;
Milam did so on the record to Look Magazine
for $4,000;

Whereas Mamie Till and thousands of oth-
ers pleaded with the Department of Justice
and the Federal Bureau of Investigation to
reopen the investigation of the murder of
Emmett Till;

Whereas Congress supports the decision to
reopen and investigate the case;

Whereas the Federal Government did abso-
lutely nothing; and President Eisenhower
and FBI Director J. Edgar Hoover refused to
reopen the case and did not even answer
Mamie Till’s urgent telegraph;

Whereas 100 days later, Rosa Parks refused
to give up her bus seat to a White passenger
and the modern civil rights revolution began;

Whereas many historians regard the mur-
der of Emmett Till as the true spark of the
civil rights movement;

Whereas Mamie Till, who died on January
6, 2003, moved back to Chicago, taught, and
continued to talk about her son Emmett’s
murder; and expressed her wishes for a full
Federal investigation;

Whereas more than 48 years have passed
since the murder of Emmett Till;

Whereas the remaining witnesses to this
grimosa crime are elderly;

Whereas House Concurrent Resolution 390
entitled “Expressing the sense of Congress
with respect to the murder of Emmett Till”,
was introduced on February 10, 2004, by Rep-
resentative Bobby Rush;

Whereas the Department of Justice re-
opened the investigation into the murder
of Emmett Till on May 11, 2004; and

Whereas Congress supports the decision to
reopen the investigation of the murder of
Emmett Till: Now, therefore, be it

Resolved by the Senate (the House of Rep-
resentatives concurring), That Congress—

Whereas no state has unlimited jurisdic-
tion, including the Department of Justice
and the State of Mississippi, to—
The hearing will take place in room 418 of the Russell Senate Office Building at 10:00 A.M. A markup on Mr. Nicholson’s nomination will take place in room 418 of the Russell Senate Office Building at 2:00 P.M.

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

ORDERS FOR TUESDAY, JANUARY 25, 2005

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:45 a.m. on Tuesday, January 25. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved, and there then be a period of morning business for up to 60 minutes with the first half of the time under the control of the majority leader or his designee and the remaining time under the control of the Democratic leader or his designee; provided that following morning business, the Senate proceed to executive session as provided under the previous order.

I further ask consent that the Senate recess tomorrow from 12:30 p.m. until 2:15 for the weekly party lunches. The PRESIDING OFFICER, Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Tomorrow, following morning business, the Senate will begin debate on the nomination of Condoleezza Rice to be Secretary of State. Under the order, there will be up to 9 hours of debate on the nomination during tomorrow’s session with a short period of additional debate on Wednesday, prior to a vote on confirmation. In addition, the nominee of Jim Nicholson to be Secretary of Veterans Affairs was reported today. The Senate may act on that nomination and any other nomination that is available during the remainder of this week.

We are working across the aisle to gether, at the committee level and the State. Under the order, there will be up to 60 minutes with the first half of the time under the control of the majority leader or his designee and the remaining time under the control of the Democratic leader or his designee; provided that following morning business, the Senate proceed to executive session as provided under the previous order.

I further ask consent that the Senate recess tomorrow from 12:30 p.m. until 2:15 for the weekly party lunches. The PRESIDING OFFICER, Without objection, it is so ordered.

ADJOURNMENT UNTIL 9:45 A.M. TOMORROW

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order, as a further mark of respect for Howard S. Liebengood.

There being no objection, the Senate, at 7:16 p.m. adjourned until Tuesday, January 25, 2005, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate January 24, 2005:

DEPARTMENT OF AGRICULTURE

THOMAS C. DORR, OF IOWA, TO BE UNDER SECRETARY OF AGRICULTURE FOR RURAL DEVELOPMENT. VICE JILL L. LONG, RESIGNED.

THOMAS C. DORR, OF IOWA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMUNITY CREDIT CORPORATION. VICE JILL L. LONG, RESIGNED.

DEPARTMENT OF DEFENSE

PETER CYRIL WYCHERLY, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE FOR POLICY. VICE JAMES R. G. PETERS, RESIGNED.

THEODORE PAUL WOODLEY, JR., OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE ARMY. VICE MICHAEL B. PARKER, RESIGNED.

BRENT J. PENN, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE NAVY. VICE R. T. JOHNSON, RESIGNED.

DEPARTMENT OF EDUCATION

ANDREW J. MUCKENHA, JR., OF IOWA, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF FIVE YEARS. VICE ROBERT N. SHAMSANY, TERM EXPIRED.

GEORGE M. D. INNES, OF MONTANA, TO BE A MEMBER OF THE NATIONAL SCIENCE FOUNDATION COUNCIL FOR A TERM OF FIVE YEARS. VICE BRUCE SUNDLUN, TERM EXPIRED.

WILLIAM JAMES CARL, OF ARKANSAS, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF FIVE YEARS. VICE MANUEL TURIN, TERM EXPIRED.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PAMELA HUGHS PATENSAD, OF NEW HAMPSHIRE, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT. VICE VONDA CARR, RESIGNED.

FEDERAL HOUSING FINANCE BOARD

DONALD ROSENFELD, OF OKLAHOMA, TO BE A DIRECTOR OF THE FEDERAL HOUSING FINANCE BOARD FOR A TERM OF TEN YEARS. VICE JOHN THOMAS KORSMO, RESIGNED.

NATIONAL INSTITUTE OF BUILDING SCIENCES

WILLIAM R. HARDMAN, OF MICHIGAN, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL INSTITUTE OF BUILDING SCIENCES FOR A TERM EXPIRING SEPTEMBER 7, 2008. VICE R. TERRY NASCO, TERM EXPIRED.

AMTRAK

FLOYD B. BROWN, JR., OF NEW JERSEY, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS. VICE AMY M. ROSEN, TERM EXPIRED.

AMTRAK

ENRIQUE J. SOSA, OF FLORIDA, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS. VICE LINWOOD HOLTON, TERM EXPIRED.

ENVIRONMENTAL PROTECTION AGENCY

THOMAS V. SKINNER, OF ILLINOIS, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE JOHN PETER SABORE, RESIGNED.

LUIS LUNA, OF MARYLAND, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE MORRIS W. WILSON, RESIGNED.

MISSISSIPPI RIVER COMMISSION

MAJOR GENERAL DON T. BILLIY, UNITED STATES ARMY, TO BE A MEMBER AND PRESIDENT OF THE MISSISSIPPI RIVER COMMISSION.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

D. MICHAEL RAPPONTO, OF ARIZONA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION FOR A TERM EXPIRING OCTOBER 6, 2008. (REAPPOINTMENT)

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

MICHAEL BUTLER, OF TENNESSEE, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION FOR A TERM EXPIRING OCTOBER 6, 2008. (REAPPOINTMENT)

DEPARTMENT OF THE TREASURY

RAYMOND THOMAS WAGNER, JR., OF MISSOURI, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION FOR A TERM EXPIRING SEPTEMBER 14, 2008. (REAPPOINTMENT)

HERALD DAMELIN, OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF THE TREASURY, VICE JEFF BUSH, JR., RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HARRIET R. LEVISON, OF MARYLAND, TO BE INSPECTOR GENERAL, DEPARTMENT OF HUMAN SERVICES, VICE JANET BURROUGHS, RESIGNED.

DEPARTMENT OF STATE

HOWARD J. KROGAND, OF NEW JERSEY, TO BE INSPECTOR GENERAL, DEPARTMENT OF STATE, VICE CLAIRE KENT ERVIN.
INTER-AMERICAN FOUNDATION
NADIR HOGAN, OF FLORIDA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING JUNE 28, 2008, VICE FRANK D. YÜRTÜBA, TERM EXPIRED.

BROADCASTING BOARD OF GOVERNORS
KENNETH Y. TOMLINSON, OF VIRGINIA, TO BE CHAIRMAN OF THE BROADCASTING BOARD OF GOVERNORS. (REAPPOINTMENT)

D. JEFFREY HICHE, OF WISCONSIN, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM EXPIRING AUGUST 12, 2007. (REAPPOINTMENT)

KENNETH Y. TOMLINSON, OF VIRGINIA, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM EXPIRING AUGUST 13, 2007. (REAPPOINTMENT)

EXECUTIVE OFFICE OF THE PRESIDENT
JORGE A. PLASENCIA, OF FLORIDA, TO BE A MEMBER OF THE ADVISORY BOARD FOR CUBA BROADCASTING FOR A TERM EXPIRING OCTOBER 27, 2006, VICE JOSEPH FRANCIS OLLENN, TERM EXPIRED.

INTER-AMERICAN FOUNDATION
ROGER W. WALLACE, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING OCTOBER 6, 2008, VICE REED P. DUVAL.

JACK VAUGHN, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING SEPTEMBER 20, 2008, VICE PATRICIA HILLS WILLIAMS, TERM EXPIRED.

UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY
JAY T. SNYDER, OF NEW YORK, TO BE A MEMBER OF THE UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY FOR A TERM EXPIRING JULY 1, 2007. (REAPPOINTMENT)

DEPARTMENT OF STATE
DAVID B. BALDON, OF THE DISTRICT OF COLUMBIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS ASSISTANT SECRETARY OF STATE FOR OCEANS AND PIRATE HUNTING. (NEW POSTITION)

JOSEPH D. DETRAIL, OF VIRGINIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL ENVOY FOR THE SIX PARTY TALKS. (NEW POSTITION)

JOHN THOMAS SCHIEFFER, OF TEXAS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO JAPAN. (NEW POSTITION)

DEPARTMENT OF EDUCATION

BARRY GOLDSWATER SCHOLARSHIP & EXCELLENCE IN EDUCATION FOUNDATION
CHARLES P. BUCH, OF SOUTH DAKOTA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP & EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING AUGUST 11, 2010. VICE KINJIAN SHAMALIJI SHAH, TERM EXPIRED.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
EDWARD L. FLIPPEN, OF VIRGINIA, TO BE INSPECTOR GENERAL, CORPORATION FOR NATIONAL AND COMMUNITY SERVICES. VICE J. MURSELL GEORGE.

GENERAL SERVICES ADMINISTRATION
BRIAN DAVID MILLER, OF VIRGINIA, TO BE INSPECTOR GENERAL, GENERAL SERVICES ADMINISTRATION. VICE DIANE SWAIN.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
ALLEN WEINSTEIN, OF MARYLAND, TO BE ARCHIVIST OF THE UNITED STATES, VICE JOHN W. CARLIN.

UNITED STATES POSTAL SERVICE
CAROLYN L. GALLAGHER, OF TEXAS, TO BE A GOVERNOR OF THE UNITED STATES POSTAL SERVICE FOR A TERM OF FOUR YEARS, VICE HERSCHELLE L. YTURRIA, TERM EXPIRED.

POSTAL RATE COMMISSION
TONY HAMMOND, OF VIRGINIA, TO BE A COMMISSIONER OF THE UNITED STATES POSTAL SERVICE. VICE JAMES B. ANH, OF FLORIDA, TO BE A COMMISSIONER. VICE CAROLYN L. GALLAGHER, TERM EXPIRED.

DEPARTMENT OF JUSTICE
STEPHEN THOMAS CONROY, OF VIRGINIA, TO BE CHIEF UNITED STATES MARSHAL FOR THE DISTRICT OF COLUMBIA FOR A TERM OF FOUR YEARS, VICE WAYNE WATSON DILLARD.

FOREIGN CLAIMS SETTLEMENT COMMISSION
DAVID B. BIVIN, JR., OF VIRGINIA, TO BE A MEMBER OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES. VICE LARRY T. MCCABE, TERM EXPIRED.

FOREIGN SERVICE
THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA TO JAPAN.

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION
GEORGE PERDIE, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION FOR A TERM EXPIRING NOVEMBER 8, 2006, VICE CAROLINA A. CAMPBELL, JR., TERM EXPIRED.

NATIONAL LABOR RELATIONS BOARD
DONALD E. MENGRO, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR A TERM OF FIVE YEARS EXPIRING AUGUST 27, 2010. VICE ROBERT J. WILSON.

NATIONAL SECURITY EDUCATION BOARD
KIRON KARINA SKINNER, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF TWO YEARS, VICE RENÉ ACOSTA, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT
DONALD B. CLARK, OF NEW HAMPSHIRE, TO BE WASHINGTON POST COMMISSIONER. VICE KENNETH J. ROBERTS, RESIGNED.

WALTER M. KINDRED, OF VIRGINIA, TO BE WASHINGTON POST COMMISSIONER. VICE JAMES E. GENTRY, TERM EXPIRED.

ALAN WEINSTEIN, OF MARYLAND, TO BE ARCHIVIST OF THE UNITED STATES, VICE JOHN W. CARLIN.

JAMES B. ARN, OF FLORIDA, TO BE ARCHIVIST OF THE UNITED STATES, CLASS OF COUNSELOR.

DEPARTMENT OF COMMERCE
ROBERT J. WILSON, OF CONNECTICUT, TO BE COMMISSIONER OF THE NATIONAL BUREAU OF STANDARDS. VICE EARLE W. GAST, TERM EXPIRED.

DIANE SWAIN, OF VIRGINIA, TO BE A MEMBER OF THE UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY. VICE CARLOS M. GUTIERREZ, CLASS OF COUNSELOR.

CONGRANATIONAL RECORD — SENATE
S371

CONFIRMATION
Executive nomination confirmed by the Senate Monday, January 24, 2005:

DEPARTMENT OF COMMERCE
CARLOS M. GUTIERREZ, OF MICHIGAN. TO BE SECRETARY OF COMMERCE.
EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, January 25, 2005 may be found in the Daily Digest of today’s RECORD.

MEETINGS SCHEDULED

JANUARY 26

9:15 a.m.
Environment and Public Works
Business meeting to consider pending business.
SD-406

9:30 a.m.
Energy and Natural Resources
Business meeting to consider pending calendar business.
SD-366

Judiciary
Business meeting to continue consideration of the nomination of Alberto R. Gonzales, of Texas, to be Attorney General.
SD-226

10 a.m.
Agriculture, Nutrition, and Forestry
Organizational business meeting to consider an original resolution authorizing expenditures for committee operations, committee’s rules of procedure for the 109th Congress, and subcommittee assignments.
SR-332

Environment and Public Works
Clean Air, Climate Change, and Nuclear Safety Subcommittee
To hold hearings to examine multi-emissions legislation.
SD-406

Banking, Housing, and Urban Affairs
Organizational business meeting to consider an original resolution authorizing expenditures for committee operations, committee’s rules of procedure for the 109th Congress, and subcommittee assignments.
SD-538

Homeland Security and Governmental Affairs
To hold hearings to examine the Department of Homeland Security.
SD-342

Aging
To hold hearings to examine the risks and benefits associated with Internet pharmacy and importation.
SD-628

10:30 a.m.
Indian Affairs
Business meeting to consider Committee budget resolution and proposed changes to the Committee rules.
SR-485

2:30 p.m.
Intelligence
To receive a closed briefing on certain intelligence matters.
SH-219

FEBRUARY 1

2:30 p.m.
Judiciary
To hold hearings to examine certain issues relative to CIA document disclosure under the Nazi War Crimes Disclosure Act.
SD-226

FEBRUARY 3

10 a.m.
Veterans’ Affairs
To hold hearings to examine benefits for survivors of those killed in the line of duty.
SR-418

11 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine the effects of Bovine Spongiform Encephalopathy (BSE) on United States imports and exports of cattle and beef.
SD-106

FEBRUARY 8

10 a.m.
Energy and Natural Resources
Public Lands and Forests Subcommittee
To hold hearings to examine the implementation of Titles I through III of P.L. 106–393, The Secure Rural Schools and Community Self-Determination Act of 2000.
SD-366

FEBRUARY 10

9:30 a.m.
Armed Services
To hold hearings to examine the proposed Defense Authorization Request for Fiscal Year 2006 and the Future Years Defense Program.
SH-216

FEBRUARY 15

10 a.m.
Veterans’ Affairs
To hold hearings to examine the Administration’s proposed fiscal year 2006 Department of Veterans Affairs budget.
SD-226

MARCH 8

2 p.m.
Veterans’ Affairs
To hold hearings to examine legislative presentation of the Disabled American Veterans.
345 CHOB

MARCH 9

10 a.m.
Veterans’ Affairs
To hold hearings to examine legislative presentation of the Veterans of Foreign Wars.
SH-216

MARCH 10

10 a.m.
Veterans’ Affairs
To hold hearings to examine legislative presentations of the Blinded Veterans Association, the Non-Commissioned Officers Association, the Military Order of the Purple Heart, the Paralyzed Veterans of America and the Jewish War Veterans.
345 CHOB

APRIL 14

10 a.m.
Veterans’ Affairs
To hold hearings to examine legislative presentations of the Military Officers Association of America, the National Association of State Director of Veterans Affairs, AMVETS, the American Ex-Prisoners of War, and Vietnam Veterans of America.
345 CHOB

APRIL 21

10 a.m.
Veterans’ Affairs
To hold hearings to examine legislative presentations of the Fleet Reserve Association, the Air Force Sergeants Association, the Retired Enlisted Association, and the Gold Star Wives of America.
345 CHOB

SEPTEMBER 20

10 a.m.
Veterans’ Affairs
To hold hearings to examine legislative presentation of the American Legion.
345 CHOB

POSTPONEMENTS

JANUARY 26

9:30 a.m.
Judiciary
To hold hearings to examine pending judicial nominations.
SD-226

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

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.
HIGHLIGHTS

Senate confirmed the nomination of Carlos M. Gutierrez, of Michigan, to be Secretary of Commerce.

Senate

Chamber Action

Routine Proceedings, pages S107–S371

Measures Introduced: One hundred-thirty bills and six resolutions were introduced, as follows: S. 6, 9, 11, 13–20, 24–25, 27, 29, 31–144, S.J. Res. 1–2, S. Res. 7–9, and S. Con. Res. 3. Pages S142–45

Measures Passed:

Honoring Howard S. Liebengood: Senate agreed to S. Res. 7, relating to the death of Howard S. Liebengood, former Sergeant at Arms of the Senate. Pages S107–09

Nomination—Agreement: A unanimous-consent-time agreement was reached providing for consideration of the nomination of Condoleezza Rice, of California, to be Secretary of State at 10:45 a.m., on Tuesday, January 25, 2005, with nine hours for debate; following which, when the Senate resumes consideration of the nomination on Wednesday, January 26, 2005, a vote on confirmation of the nomination will occur following 40 additional minutes for closing remarks.

Nominations Confirmed: Senate confirmed the following nominations:

Carlos M. Gutierrez, of Michigan, to be Secretary of Commerce. Pages S116–26, S371

Nominations Received: Senate received the following nominations:

Thomas C. Dorr, of Iowa, to be Under Secretary of Agriculture for Rural Development.

Thomas C. Dorr, of Iowa, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Peter Cyril Wyche Flory, of Virginia, to be an Assistant Secretary of Defense.

John Paul Woodley, Jr., of Virginia, to be an Assistant Secretary of the Army.

Buddie J. Penn, of Virginia, to be an Assistant Secretary of the Navy.

Andrew J. McKenna, Jr., of Illinois, to be a Member of the National Security Education Board for a term of four years.

George M. Dennison, of Montana, to be a Member of the National Security Education Board for a term of four years.

James William Carr, of Arkansas, to be a Member of the National Security Education Board for a term of four years.

Pamela Hughes Patenaude, of New Hampshire, to be an Assistant Secretary of Housing and Urban Development.

Ronald Rosenfeld, of Oklahoma, to be a Director of the Federal Housing Finance Board for the remainder of the term expiring February 27, 2009.

William Hardiman, of Michigan, to be a Member of the Board of Directors of the National Institute of Building Sciences for a term expiring September 7, 2006.

Floyd Hall, of New Jersey, to be a Member of the Reform Board (Amtrak) for a term of five years.

Enrique J. Sosa, of Florida, to be a Member of the Reform Board (Amtrak) for a term of five years.

Thomas V. Skinner, of Illinois, to be an Assistant Administrator of the Environmental Protection Agency.

Luis Luna, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

Major General Don T. Riley, United States Army, to be a Member and President of the Mississippi River Commission.

D. Michael Rappoport, of Arizona, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for a term expiring October 6, 2008.
Michael Butler, of Tennessee, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for a term expiring October 6, 2008.

Raymond Thomas Wagner, Jr., of Missouri, to be a Member of the Internal Revenue Service Oversight Board for a term expiring September 14, 2009.

Harold Damelin, of Virginia, to be Inspector General, Department of the Treasury.

Daniel R. Levinson, of Maryland, to be Inspector General, Department of Health and Human Services.

Howard J. Krongard, of New Jersey, to be Inspector General, Department of State.

Nadine Hogan, of Florida, to be a Member of the Board of Directors of the Inter-American Foundation for a term expiring June 26, 2008.

Kenneth Y. Tomlinson, of Virginia, to be Chairman of the Broadcasting Board of Governors.

D. Jeffrey Hirschberg, of Wisconsin, to be a Member of the Broadcasting Board of Governors for a term expiring August 13, 2007.

Kenneth Y. Tomlinson, of Virginia, to be a Member of the Broadcasting Board of Governors for a term expiring August 13, 2007.

Jorge A. Plasencia, of Florida, to be a Member of the Advisory Board for Cuba Broadcasting for a term expiring October 27, 2006.

Roger W. Wallace, of Texas, to be a Member of the Board of Directors of the Inter-American Foundation for a term expiring October 6, 2008.

Jack Vaughn, of Texas, to be a Member of the Board of Directors of the Inter-American Foundation for a term expiring September 20, 2006.

Jay T. Snyder, of New York, to be a Member of the United States Advisory Commission on Public Diplomacy for a term expiring July 1, 2007.

David B. Balton, of the District of Columbia, for the rank of Ambassador during his tenure of service as Deputy Assistant Secretary of State for Oceans and Fisheries.

Joseph R. DeTrani, of Virginia, for the rank of Ambassador during his tenure of service as Special Envoy for the Six Party Talks.

John Thomas Schieffer, of Texas, to be Ambassador to Japan.

Craig T. Ramey, of West Virginia, to be a Member of the Board of Directors of the National Board for Education Sciences for a term of two years.

A. Wilson Greene, of Virginia, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2009.

Harry Robinson, Jr., of Texas, to be a Member of the National Museum Services Board for a term expiring December 6, 2008.

Katina P. Strauch, of South Carolina, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2009.

Thomas A. Fuentes, of California, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 2005.

Bernice Phillips, of New York, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 2005.

George Perdue, of Georgia, to be a Member of the Board of Trustees of the James Madison Memorial Fellowship Foundation for a term expiring November 5, 2006.

Ronald E. Meisburg, of Virginia, to be a Member of the National Labor Relations Board for the term of five years expiring August 27, 2008.

Kiron Kanina Skinner, of Pennsylvania, to be a Member of the National Security Education Board for a term of four years.

Charles P. Ruch, of South Dakota, to be a Member of the Board of Trustees of the Barry Goldwater Scholarship and Excellence in Education Foundation for a term expiring August 11, 2010.

Edward L. Flippen, of Virginia, to be Inspector General, Corporation for National and Community Services.

Brian David Miller, of Virginia, to be Inspector General, General Services Administration.

Allen Weinstein, of Maryland, to be Archivist of the United States.

Carolyn L. Gallagher, of Texas, to be a Governor of the United States Postal Service for the remainder of the term expiring December 8, 2009.

Louis J. Giuliano, of New York, to be a Governor of the United States Postal Service for a term expiring December 8, 2005.

Tony Hammond, of Virginia, to be a Commissioner of the Postal Rate Commission for a term expiring October 14, 2010.

Louis J. Giuliano, of New York, to be a Governor of the United States Postal Service for a term expiring December 8, 2014.

Stephen Thomas Conboy, of Virginia, to be United States Marshal for the Superior Court of the District of Columbia for the term of four years.

David B. Rivkin, Jr., of Virginia, to be a Member of the Foreign Claims Settlement Commission of the United States for the term expiring September 30, 2007.

Routine lists in the Foreign Service. Pages S370–71

Executive Reports of Committees: Pages S141–42

Statements on Introduced Bills/Resolutions: Pages S146–S370

Additional Statements: Pages S140–41

Notices of Hearings/Meetings: Page S370
Authority for Committees to Meet:  Page S370

Adjournment: Senate convened at 2:01 p.m., and as a further mark of respect to the memory of the late Howard S. Liebengood, former Sergeant at Arms of the Senate, and in accordance with S. Res. 7, adjourned at 7:16 p.m., until 9:45 a.m., on Tuesday, January 25, 2005. (For Senate’s program, see the remarks of the Majority Leader in today’s Record on page S 370.)

Committee Meetings

(Committees not listed did not meet)

BUSINESS MEETING

Committee on Veterans Affairs: Committee ordered favorably reported the nomination of Jim Nicholson, of Colorado, to be Secretary of Veterans Affairs. Prior to this action, committee concluded a hearing to examine the nomination of Jim Nicholson, of Colorado, to be Secretary of Veterans Affairs, after the nominee, who was introduced by Senators Allard and Salazar, testified and answered questions in his own behalf.

House of Representatives

Chamber Action

The House was not in session today.

Committee Meetings

No committee meetings were held.

COMMITTEE MEETINGS FOR TUESDAY, JANUARY 25, 2005

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Finance: business meeting to consider organizational matters; to be followed by a business meeting to consider the nomination of Michael O. Leavitt, of Utah, to be Secretary of Health and Human Services, 10 a.m., SD–215.

House

Committee on Rules, to hold an organizational meeting, and to consider H.R. 54, Congressional Gold Medal Enhancement Act of 2005, 5 p.m., H–313 Capitol.
Next Meeting of the **SENATE**
9:45 a.m., Tuesday, January 25

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Senate Chamber

Program for Tuesday: After the transaction of any morning business (not to extend beyond 60 minutes), Senate will consider the nomination of Condoleezza Rice, of California, to be Secretary of State, with a vote on confirmation of the nomination to occur following 9 hours of debate.

(Senate will recess from 12:30 p.m. until 2:15 p.m. for their respective party conferences.)

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Next Meeting of the **HOUSE OF REPRESENTATIVES**
2 p.m., Tuesday, January 25

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House Chamber

Program for Tuesday: To be announced.