Maine (Mr. Snowe) were added as co-sponsors of S. Res. 155, a resolution designating the week of November 6 through November 12, 2005, as “National Veterans Awareness Week” to emphasize the need to develop educational programs regarding the contributions of veterans to the country.

S. RES. 158

At the request of Mr. Graham, the name of the Senator from Delaware (Mr. Biden) was added as a co-sponsor of S. Res. 158, a resolution expressing the sense of the Senate that the President should designate the week beginning September 11, 2005, as “National Historically Black Colleges and Universities Week”.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. Alexander (for himself and Mr. Warner):

S. 1208. A bill to provide for local control for the siting of windmills; to the Committee on Energy and Natural Resources.

Mr. Alexander. Mr. President, in order to protect our nation’s most scenic areas, Senator Warner and I have introduced a revised version of the Environmentally Responsible Windpower Act of 2005. It will be introduced in the House of Representatives by Congressman John Duncan, a Republican, who is chairman of the Water Resources Subcommittee, and by Representative Bart Gordon, a Democrat, who is the ranking Democrat on the Science and Technology Committee.

Senator Warner and I have listened to our colleagues, and we have made several changes in our initial bill to simplify it and to make it the kind of bill we hope all Senators will think makes good sense. What we have done is to simplify the local notification procedures and to more precisely protect scenic areas of the country without impacting the entire coastline. We have also removed a provision regarding military bases that was in our bill since that can be addressed in other legislation.

Our revised bill would do three things:

No. 1, to protect America’s most scenic treasures, such as the Grand Canyon, the Statue of Liberty, and the Great Smoky Mountains, National Park, and deny Federal subsidies for giant wind turbines within 20 miles of any national park, national military park, national seashore, national lakeshore, or 20 World Heritage sites in the United States.

No. 2, to protect our most pristine coastlines, it would deny Federal subsidies for wind turbines less than 20 miles offshore, which is the horizon of a national seashore, a national lakeshore, or a National Wildlife Refuge.

No. 3, to enhance local control, which most of us believe in, it would give communities a 180-day timeout period from when a wind project is filed with the Federal Energy Regulatory Commission in which to review local zoning laws related to the placement of these giant wind turbines.

This legislation is necessary because my research suggests that if the Federal Energy Regulatory Commission were to spend over the next 5 years nearly $4.5 billion to subsidize windmills. Because of those large subsidies, the number of the giant wind turbines in the United States is expected to grow from 6,700 today to 46,000 above that number in 20 years according to estimates by the Department of Energy and the Union of Concerned Scientists.

These wind turbines are not your grandmother’s windmills, gently pumping water from the farm well. Here is just one example, which my colleagues from Alabama and South Carolina will especially appreciate. The University of Tennessee has the second largest wind farm in America, seating 107,000 University of Tennessee students from Alabama and I sat there while Auburn University beat the tar out of the University of Tennessee last year. I ask him to imagine that just one of these wind turbines would fit into that stadium. It is more than twice the height of the highest skyscraper. Its rotor blades would stretch almost from 10-yard line to 10-yard line. And on a clear night, its flashing red lights could be seen for 20 miles. Usually, these wind turbines are located in wind farms containing 20 or more, but the number can be more than 100. They work best, of course, where the wind blows best, which, in part of the country, is along scenic coastlines or scenic ridgetops.

Now, reasonable Members of this body may disagree about the cost, effectiveness, and appropriateness of this special treatment. We can have that debate at another time. But at least we ought to be able to agree not to subsidize building them in places that damage our most scenic areas and coastlines.

Since wind turbines of this giant size are such a relatively new phenomenon, it fits our American traditions to give local communities time to stop and think about their most appropriate location.

In conclusion, Mr. President, let me emphasize that our legislation does not prohibit the building of a single wind turbine. It only denies a Federal tax payer subsidy in highly scenic areas. And it ensures local governments have the time to review wind turbine proposals.

This revised version does not give local authorities any power they do not already have. It simply gives them a little time to review wind turbine proposals.

We intend to offer our legislation as an amendment when the Senate debates the Energy bill next week, and we hope our colleagues will join us in this effort to ensure the Federal Government does not provide tax incentives that ruin the beauty of our most pristine and scenic areas around our country.

Egypt has its pyramids, Italy has its art, England has its history, and the United States has the great American outdoors. We should prize that and protect it where we can. One way to do that is to make sure when we look at the Statue of Liberty, when we look at the Great Smoky Mountains, when we look at the Grand Canyon, we do not have giant windmills, twice as tall as Neyland Stadium, with flashing red lights, in between us and that landscape.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the legislation which Senator Warner and I are introducing, a copy of the attachment which includes the language of the Senate measure that could be protected by the Environmentally Responsible Windpower Act of 2005, and two editorials from Tennessee newspapers—one from the Chattanooga Times Free Press and one from the Knoxville News Sentinel—which comment on the previous legislation we introduced.

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

S. 1208

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 “Environmentally Responsible Windpower Act of 2005”.

SEC. 2. LOCAL CONTROL FOR SITING OF WIND-MILLS.

(a) LOCAL NOTIFICATION.—Prior to the Federal Energy Regulatory Commission issuing any wind turbine interconnection or exempt-wholesale generator status, or qualified facility rate schedule, the wind project shall complete its local notification process.

(b) LOCAL NOTIFICATION PROCESS.—

(1) In this section, the term “Local Authorities” means the governing body, and the successor executive of the body, at the lowest level of government that possesses authority under State law to carry out this Act.

(2) Applicant shall notify the Local Authorities on the day of the filing of such Market-Based Rate application or Federal Energy Regulatory Commission Form number 556 (or a successor form) at the Federal Energy Regulatory Commission. Evidence of such notification shall be submitted to the Federal Energy Regulatory Commission.

(3) The Federal Energy Regulatory Commission shall notify in writing the Local Authorities within 30 days of such a Market-Based Rate application or Federal Energy Regulatory Commission Form number 556 (or a successor form) at the Federal Energy Regulatory Commission.

(4) The Federal Energy Regulatory Commission shall not issue to the project Market-Based Rate Authority, Exempt Wholesale Generator Status, or Qualified Facility rate schedule, until 180 days after the date on which the Federal Energy Regulatory Commission notifies the Local Authorities under paragraph (3).

(c) HIGHLY SCENIC AREA AND FEDERAL LAND.—

(1) A Highly Scenic Area is—

(A) any area listed as an official United Nations Educational, Scientific, and Cultural Organization World Heritage Site, as
supported by the Department of the Interior, the National Park Service, and the International Council on Monuments and Sites; (B) land designated as a National Park; (C) a National Monument; (D) a National Seashore; (E) a National Wildlife Refuge that is adjacent to an ocean; or (F) a National Historical Park.

(2) A Qualified Wind Project is any wind-turbine project located—

(A) in a Highly Scenic Area; or

(ii) within 20 miles of the boundaries of an area described in subparagraph (A), (B), (C), (D), or (F) of paragraph (1); or

(B) within 20 miles off the coast of a National Wildlife Refuge that is adjacent to an ocean.

(3) Prior to the Federal Energy Regulatory Commission issuing to a Qualified Wind Project its Exempt-Wholesale Generator Status, Market-Based Rate Authority, or Qualified Facility rate schedule, an environmental impact statement shall be conducted and completed by the lead agency in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). If no lead agency is designated, the lead agency shall be the Department of the Interior.

(4) The environmental impact statement determination shall be issued within 12 months of the date of application.

(5) Such environmental impact statement review shall include a cumulative impacts analysis addressing visual impacts and avian mortality analysis of a Qualified Wind Project.

(6) A Qualified Wind Project shall not be eligible for any Federal tax subsidy.

(d) EFFECTIVE DATE.—

(1) This section shall expire 10 years after the date of enactment of this Act.

(2) Nothing in this section shall prevent or discontinue any environmental review of any wind projects or any Qualified Wind Project on a State or local level.

SCENIC SITES PROTECTED BY THE ENVIRONMENTALLY RESPONSIBLE WINDPOWER ACT OF 2005

ALABAMA

National Parks: Little River Canyon National Preserve.

National Military Parks: Horseshoe Bend.

ARKANSAS


World Heritage Sites: Glacier Bay National Park & Preserve, Wrangell-St. Elias National Park & Preserve.

ARIZONA

National Parks: Grand Canyon National Park, Petrified Forest National Park.

World Heritage Sites: Grand Canyon National Park.

CALIFORNIA


World Heritage Sites: Redwood National Park, Yosemite National Park.

World Heritage Sites: Point Reyes National Seashore.


COLORADO


World Heritage Sites: Everglades National Park.

National Seashores: Canaveral National Seashore, Gulf Islands National Seashore.


FLORIDA


World Heritage Sites: Everglades National Park.


GOVERNMENT

National Seashores: Cumberland Island National Seashore.


HAWAII


World Heritage Sites: Hawaii Volcanoes National Park.

HAWAII


World Heritage Sites: Hawaii Volcanoes National Park.


IDAHO

National Parks: Yellowstone National Park.

World Heritage Sites: Yellowstone National Park.

IOWA

National Parks: Westmoreland State Park, Westmoreland State Park.

World Heritage Sites: Cahokia Mounds State Historic Site.

INDIANA

National Seashores: Indiana Dunes National Lakeshore.

KENTUCKY

National Parks: Mammoth Cave National Park.

World Heritage Sites: Mammoth Cave National Park.

LOUISIANA


MAIN

National Parks: Acadia National Park.


MARYLAND

National Seashores: Assateague Island National Seashore.

MASSACHUSETTS

National Seashores: Cape Cod National Seashore.


MICHIGAN

National Parks: Isle Royale National Park.


MINNESOTA

National Parks: Voyageurs National Park.

MISSISSIPPI

National Seashores: Gulf Islands National Seashore.

National Military Parks: Vicksburg.


MONTANA


World Heritage Sites: Yellowstone National Park.

NEVADA


NEW HAMPSHIRE


NEW JERSEY


NEW MEXICO

National Parks: Carlsbad Caverns National Park.

World Heritage Sites: Chaco Culture National Historic Park, Pueblo de Taos, Carlsbad Caverns National Park.

NEW YORK

World Heritage Sites: Statue of Liberty, Liberty State Park.

National Seashores: Fire Island National Seashore.
June 9, 2005

NORTH CAROLINA
National Parks: Great Smoky Mountains National Park.
World Heritage Sites: Great Smoky Mountains National Park.
National Seashores: Cape Hatteras National Seashore, Cape Lookout National Seashore.
National Military Parks: Guilford Courthouse.

NORTH DAKOTA

OHIO
National Parks: Cuyahoga Valley National Park.
National Parks: Crater Lake National Park.

PENNSYLVANIA
World Heritage Sites: Independence Hall.
National Military Parks: Gettysburg.

RHODE ISLAND

SOUTH CAROLINA
National Parks: Congaree National Park.
National Military Parks: Kings Mountain.

SOUTH DAKOTA
National Parks: Badlands National Park, Wind Cave National Park.

TENNESSEE
National Parks: Great Smoky Mountains National Park.
World Heritage Sites: Great Smoky Mountains National Park.

TEXAS
National Parks: Big Bend National Park, Guadalupe Mountains National Park.
National Seashores: Padre Island National Seashore.

UTAH

VIRGINIA
National Parks: Shenandoah National Park.
World Heritage Sites: Monticello, University of Virginia Historic District
National Seashores: Assateague Island National Seashore.

WASHINGTON
World Heritage Sites: Olympic National Park.

WISCONSIN
National Lakeshores: Apostle Islands National Lakeshore.

WYOMING
World Heritage Sites: Yellowstone National Park.

[From the Chattanooga Times Free Press, May 22, 2005]

BEWARE OF WINDMILLS

It was reported in the classical fictional literature of Miguel de Cervantes, and in the delightful derivative musical play "Man of La Mancha," that Don Quixote tilted at windmills, thinking them to be adversaries. But in the real-life United States today, some people are promoting the erection of many thousands of windmills as a means of generating electric power, with too few people being aware that these modern windmills would be very real, not imaginary, adversaries.

Sen. Lamar Alexander, R-Tenn., has introduced a bill in Congress designed to avoid having an army of huge windmills slip up on us without sufficient warning.

The senator says an effort is being made to require electric companies to produce 10 percent of their power from "renewable" sources. That means wind, hydro, solar, geothermal and biomass power. Sounds good on the surface, doesn't it? The trouble is that there are few opportunities for substantial power generation by these means except by wind. What would that mean? The idea of windmills, said Sen. Alexander, conjures up pleasant images—of Holland and tulips, of rural America . . . My grandparents had such a windmill at their farm, and when the windmills we are talking about today are not your grandmother's windmills.

"Each one is typically 100 yards tall, two stories taller than the Statue of Liberty, taller than a football field is long. These windmills are wider than a 747 jumbo jet. Their rotor blades turn at 100 miles per hour. "These towers and their flashing red lights can be seen from more than 25 miles away. "Their noise can be heard from up to a half-mile away. It is a thumping and whis- hing sound. It has been described by residents that are unhappy with the noise as sounding like a brick wrapped in a towel tumbling in a clothes dryer on a perpetual basis. "These windmills produce very little power since they only operate when the wind blows hard enough or doesn't blow too much, so they are usually placed in large wind farms covering huge amounts of land. "As an example, if the Congress ordered electric companies to build 10 percent of their power from renewable energy—which Alexander has said, has the bill been passed, and if we renew the current subsidy each year, by the year 2025, my state of Tennessee would have at least 1,700 windmills, which would cover land almost equal to two times the size of the city of Knoxville."

Do these revelations by Sen. Alexander, accompanied by the prospect that $7 billion of your taxes might be required for subsidies over five years, cause you to want to have 100,000 of these huge, red lighted, noisy, thumping windmills dotting the landscape throughout the United States, with 1,700 of them in Tennessee—perhaps in your neighborhood? Talk about "pollution" of area, sound and sight.

Surely, non-polluting nuclear power and other energy sources would be better. The windmill subsidices could be used better to produce cleaner, more efficient and cheaper coal, gas and oil technology.

Sen. Alexander said the purpose of his legislation, in which Sen. John Warner, R-Va., has joined, is to be sure that "local authori-

ties have a chance to consider the impact of such massive new structures before dozens or hundreds of them begin to be built in their communities."

For that fair warning, we should give thanks. If you have seen windmill farms in California, Texas or Hawaii, you will surely understand why the warning is appropriate.

Don Quixote thought he had problems with windmills, he hadn't seen the kind Sen. Alexander is talking about.

[KnoxNews, June 9, 2005]

WINDMILLS NEED COMMONSENSE APPROACH
U.S. Sen. Lamar Alexander has unleashed a storm of controversy among environmentalists over windmills, but he thinks he is using a commonsense approach.

Alexander has introduced legislation that would restrict tax credits for new windmills, and he has asked FVA to place a moratorium on new windmills.

Alexander's bill would give local governments veto power over wind farm projects and require environmental impact statements for windmill construction offshore and within 20 miles of certain scenic areas, such as the Great Smoky Mountains National Park, and would require permits.

The provision on eliminating tax credits for projects in those restricted areas, however, is what has drawn criticism from environ- mentalists and windmill manufacturers.

Stephen Smith of the Southern Alliance for Clean Energy said the legislation is the "most direct assault on wind power we've ever seen by a United States senator."

Jaimie Steve, a lobbyist for the American Wind Energy Association, said wind energy could bring up to 4,500 new jobs and $4.2 bil- lion in investment to the state in the next five or six years.

Alexander released a statement that said his bill would protect scenic areas and give local citizens more control over those 100-yard-tall, monstrous structures away from Signal Mountain, Lookout Mountain,
Distinguished historians and intellec-
tuals fear that without a common civic
memory and a common understanding of
the remarkable individuals, events, and ideas
that have shaped our Nation and its free in-
stitutions, the people in the United States
risks losing much of what makes us be an
American, as well as the ability to fulfill
the fundamental responsibilities of citizens in a
democracy.

(b) PURPOSES.—The purposes of this Act
are to promote and sustain postsecondary
academic centers, institutes, and programs
that offer undergraduate and graduate
courses, support research, sponsor lectures,
seminars, and conferences, and develop
teaching materials, for the purpose of de-
veloping and imparting a knowledge of tra-
ditional American history, the American
Founding, and the history and nature of,
and traditions to, free institutions, or of the
nature, history, and achievements of Western
civilization, particularly for—

(1) undergraduate students who are en-
rolled in teacher education programs, who
may consider becoming school teachers, or
who wish to enhance their civic competence;

(2) elementary school, middle school, and
secondary school teachers in need of addi-
tional training in order to effectively teach
in these subject areas; and

(3) graduate students and postsecondary
faculty who wish to focus on the teaching or
subject areas with greater knowledge and effec-
tiveness.

SEC. 3. DEFINITIONS.
In this Act:
(1) ELIGIBLE INSTITUTION.—The term “eligi-
ble institution” means—
(A) an institution of higher education;

(b) non-profit history or academic orga-
nizations associated with higher education
institutions, or engaged in research, pro-
grammatic activities, and engaged in an
institution of higher education;

(c) a non-profit history or academic orga-
nization associated with higher education
institutions, or engaged in research, pro-
grammatic activities, and engaged in an
institution of higher education; and

(2) SECRETARY.—The term “Secretary” means
the Secretary of Education.

(3) TRADITIONAL AMERICAN HISTORY.—The term
“traditional American history” means—

SEC. 2. FINDINGS AND PURPOSES.
(a) FINDINGS.—Congress finds the fol-
lowing:

(1) Given the increased threat to American
ideals in the trying times in which we live,
(A) the significant constitutional, political, intellectual, economic, and foreign policy trends and issues that have shaped the course of American history; and
(B) the principles on which the American political system is based, including the history and philosophy of free institutions, and the study of Western civilization; and

(2) strengthening postsecondary programs in fields related to the American founding, free institutions, and Western civilization, particularly through—
(A) the design and implementation of courses, lecture series, and symposia, the development and publication of instructional materials, the development of online and supporting of existing, academic centers;
(B) research supporting the development of relevant course materials;
(C) the support of faculty teaching in undergraduate and graduate programs; and
(D) the support of graduate and postgraduate fellowships and courses for scholars related to such fields.

(b) SELECTION CRITERIA.—In selecting eligible institutions for grants under this section, the Secretary shall establish procedures for reviewing and evaluating applications at such time, in such manner, and to such extent as the Secretary determines appropriate.

(1) Maximum and Minimum Grants.—(A) In general.—Amounts appropriated to carry out this Act shall be used for—

(1) $140,000,000 for fiscal year 2006; and
(2) such sums as may be necessary for each of the succeeding 5 fiscal years.

By Mr. HARKIN (for himself, Mr. LUGAR, Mr. OBAMA, and Mr. COLEMAN):
S. 1210. A bill to enhance the national security of the United States by providing for research, development, demonstration, administrative support, and market mechanisms for widespread deployment and commercialization of bio-based fuels and bio-based products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HARKIN. Mr. President, over the past 100 years, the economy of the United States has become inextricably tied to the supply of petroleum. In the early part of the 20th century, America’s abundant sources of petroleum helped drive tremendous improvements in quality of life, offering greater mobility through gasoline-powered transportation, and a whole host of new and innovative products—plastics and other petroleum-based chemicals. But as the 20th century wore on, the costs of a petroleum-based economy grew increasingly apparent: pollution of air and water, growing risks to our health and environment, and a growing dependence on foreign imports became an increasing risk to our economic and national security. Today, nearly two-thirds of the oil we use comes from overseas, much of it from hostile and unfriendly nations.

Instability in the oil-producing regions of the world, the growing threat of global warming, and record-high prices for gasoline at the pump all call for a new kind of economy for the 21st century: one based on a resource that is not only abundant, but clean, renewable and home-grown.

Today, biofuels like ethanol and biodiesel are making great inroads in reducing our dependence. The biofuels industry will provide nearly 4 billion gallons of clean, domestically-grown diesel this year. We need to ensure continued growth of renewable fuels, first by supporting a robust Renewable Fuels Standard of at least 8 billion gallons a year by 2012, and then by supporting additional measures to grow the “bioeconomy.”

That is why I am very proud today to be joined in this effort by Senators LUGAR, Senator OBAMA, and Senator COLEMAN, in introducing the National Security and Bioenergy Investment Act of 2005. This important bipartisan legislation provides the research, development, demonstration, and market mechanisms necessary to move this country from an economy based largely on foreign oil, to one increasingly fueled with clean, renewable, domestically-grown biomass. It is an important compliment to a robust RFS, and a vital step to secure our future.

According to the National Academies of Science, this country generates nearly 300 million tons of biomass each year—everything from corn stalks and wheat straw to forest trimmings and even segregated municipal waste. This biomass is currently sent to landfills or left in the fields after harvest in quantities greater than that needed to provide natural cover and nutrient replacement.

The Natural Resources Defense Council estimates that by 2025, an additional 200 million tons of biomass could be generated each year from dedicated biomass crops such as native switchgrass, hybrid poplar and other woody crops, grown throughout the country. These crops require little or no fertilizer or chemical treatment, while helping to enhance soil quality and reduce runoff.

Cellulose from biomass can be converted to ethanol, to provide a clean transportation fuel with potentially near-zero net carbon dioxide and sulfur emissions, and substantially reduced carbon monoxide, particulate and toxic emissions compared to petroleum-based fuel. The Natural Resources Defense Council estimates that by 2050, biomass could supply 50 percent of the nation’s transportation fuel, dramatically reducing our dependence on foreign oil.

Other products of the biomass refining process, such as biochemicals and bioplastics, can also complement or replace less environmentally-friendly petroleum-based equivalents. For example, if all of the plastic used in the United States were made from biomass instead of petroleum, the Nation’s oil consumption would decrease by 90 to 145 million barrels a year. Biobased plastics can also be composted and converted back to soil instead of being thrown in a landfill.

Biobased chemicals, lubricants and material-working fluids are also readily available in the marketplace today, and offer safe, non-toxic alternatives to their petroleum-based counterparts. The National Academies of Science found that biomass could meet all of the Nation’s needs for organic chemicals, replacing 70 billion barrels of petroleum a year.

But perhaps one of the greatest benefits of biobased fuels and products is its role in our rural economy. A mature biomass industry would create more than 1 million jobs and generate $5 billion annually in revenue for farmers. This represents a tremendous opportunity to grow and diversify sources of rural income, while reducing our dependence on foreign oil, bolstering national security and protecting the environment.

However, several obstacles still remain. Current Federal programs to develop biomass crops, establish supply chains, and reduce the cost of biofuels production are under-funded and lack appropriate targeting. Potential biofuels refinery developers remain reluctant to invest in construction of “next generation” plants that face a high level of financial risk. And, according to a recent report from the Government Accountability Office, biobased...
purchase requirements and other bio-
economy measures at the U.S. Depart-
ment of Agriculture have not been
given the necessary priority for full
implementation.

A wide range of groups, including the
Energy Future Coalition, the National
Commission on Energy Policy, the
Governors’ Ethanol Coalition, and the
Natural Resources Defense Council, is
calling on Congress to invest in the
bioeconomy as the best direction for the
country’s energy future.

The time to act is now.

This legislation implements several
critical measures to help ensure the
widespread deployment and commer-
cialization of biobased fuels and prod-
ucts over the next 10 years.

The bill substantially updates and
improves the Biomass Research and
Development Act by refining its objec-
tives, providing greater focus on over-
coming technical barriers, and, increas-
ing funding. It authorizes $1 billion in
research and development over five years to help today’s success-
ful biorefineries become the biorefin-
eries of tomorrow, while developing ad-
vanced biobased crops, crop produc-
tion methods, harvesting and transport
technology to deliver abundant bio-
mass to the refinery door.

It creates a reverse auction of pro-
duction incentives to deliver the first
billion gallons of cellulosic biofuels at
the lowest cost to taxpayers. Each year,
cellulosic biofuels refiners will bid for assistance on a per gallon basis. Refiners who request the lowest level of assistance will sign contracts and production contracts. As the volume of biofuels pro-
duction grows, competition will in-
crease, and per gallon incentive rates will decrease. After the first billion
gallons of annual production, cellulosic ethanol incentives will be capped, with gasoline without government assis-
tance.

It establishes a new Assistant Sec-
retary position for Energy and Bio-
product Development at USDA to pro-
vide the necessary priority and re-
sources for bioenergy and bioproduct
programs. It expands the Federal Gov-
ernment biobased product procurement
program of the 2002 farm bill to include
government contractors. It also ex-
tends the program to the U.S. Capitol,
and establishes the Capitol as a
showcase for biobased products.

It creates grant programs to help
small biobased businesses with mar-
eting and certification of biobased
products, and funds bioeconomy de-
velopment associations and Land Grant
institutions to support the growth of
regional bioeconomies. The legislation calls on Congress to
create tax incentives to encourage
investment in production of biobased
fuels and products, and provides for
delivery and outreach to promote
producer investment in processing fa-
cilities and to heighten consumer
awareness of biobased fuels and prod-
ucts.

Together, these measures will send a
strong signal to innovators, investors
and biobased businesses that Congress
is committed to advancing the bio-
economy. With full funding, this bill
will deliver the technological advances
needed to help make biobased fuels and
products cost competitive with petro-
leum-based equivalents, and it will
take a big step toward a future in
which our cars run on clean-burning re-
newable fuels, our plastics turn to com-
post, and our Nation’s farmers fortify
our energy security.

The bill has strong support from a
broad coalition of agricultural pro-
ducers, industry, clean energy, envi-
ronment and national security groups.
I have here several letters of endorse-
mence.

I ask unanimous consent that 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. 1239
Be it enacted by the Senate and House of Rep-
resentatives 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 “National Security and Bioenergy In-
vestment Act of 2005”.

(b) TABLE OF CONTENTS.—The table of con-
tents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.

TITLE I—BIOMASS RESEARCH AND
DEVELOPMENT

Sec. 101. Definitions.
Sec. 102. Cooperation and coordination in
biomass research and develop-
ment.
Sec. 103. Biomass Research and Develop-
ment Board.
Sec. 104. Biomass Research and Develop-
ment Technical Advisory Com-
mittee.
Sec. 105. Biomass Research and Develop-
ment Initiative.
Sec. 106. Recovery.
Sec. 107. Funding.
Sec. 108. Termination of authority.

TITLE II—PRODUCTION INCENTIVES

Sec. 201. Production incentives.

TITLE III—ASSISTANT SECRETARY OF AGRICULTURE FOR ENERGY AND
BIOBASED PRODUCTS

Sec. 301. Assistant Secretary of Agriculture for
Energy and Biobased Prod-
ucts.

TITLE IV—PROCUREMENT OF BIOBASED
PRODUCTS

Sec. 401. Federal procurement.
Sec. 402. Capitol Complex procurement.
Sec. 403. Procurement risk to national security.
Sec. 404. Regulations.

TITLE V—BIOECONOMY GRANTS AND
TAX INCENTIVES

Sec. 501. Small business bioproduct mar-
keting and certification grants.
Sec. 502. Regional bioeconomy development
grants.
Sec. 503. Preprocessing and harvesting dem-
stration grants.
Sec. 504. Sense of the Senate.

TITLE VI—OTHER PROVISIONS

Sec. 601. Education and outreach.
Sec. 602. Reports.
(14) An Assistant Secretary of the Department of Agriculture for Energy and Biobased Products would provide the authority, staff, and financial resources to fully implement biobased procurement policies and other provisions of the energy title of the Farm Security and Rural Investment Act of 2002; (15) Federal government contractors and the Architect of the Capitol would currently exempt from biobased purchasing requirements of the Farm Security and Rural Investment Act of 2002; (16) the inclusion of those biobased purchasing requirements—

(A) to Federal contractors would significantly expand the market for, and advance commercialization of, biobased products; and

(B) to the Architect of the Capitol would, in combination with a program of public education, allow the Capitol Complex to serve as a showcase for the existence, use, and benefits of biobased products;

(17) fuel derived from cellulosic biomass could have near-zero net carbon dioxide and sulfur emissions, and substantially reduced carbon monoxide, particulate and toxic emissions relative to petroleum-based fuels;

(18) the bipartisan National Commission on Energy Policy has found that with a dedicated Federal research, development, and demonstration effort, cellulosic ethanol could be less expensive to produce than gasoline by 2015;

(19) the 2004 report of the Rocky Mountain Institute, entitled ‘‘Winning the Oil Endgame’’, estimated that a mature biomass industry would create up to 1,455,000 jobs;

(20) the National Academy of Sciences has found that there are significant opportunities to produce biomass ethanol more efficiently;

(21) the National Commission on Energy Policy has found that current Federal programs directed toward reducing the cost of biomass are under-funded, intermittent, scattered, and poorly targeted;

(22) a report commissioned by the Department of Defense urged the United States to invest in a new large-scale initiative to produce biofuels as an alternative supply source, and as a feedstock for future vehicles;

(23) the Consumer Federation of America has found that the blending of ethanol into conventional gasoline can significantly benefit consumers by lowering prices at the pump;

(24) 45 leading national security, labor, and energy policy experts joined the Energy Future Coalition in supporting a national commitment to increase the use of the United States by 25 percent by 2025 through the rapid development and deployment of advanced biomass, alcohol, and other available petroleum fuel alternatives;

(25) an agressive effort to advance technology for conversion of biomass to fuel and products is warranted.

SEC. 2. DEFINITIONS.

In this Act:

(1) DEPARTMENT.—The term ‘‘Department’’ means the Department of Agriculture.

(2) SECRETARY.—The term ‘‘Secretary’’ means the Secretary of Agriculture.

TITLE I—BIOMASS RESEARCH AND DEVELOPMENT

SEC. 101. DEFINITIONS.

Section 303 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) in subsections (a) and (c), by striking ‘‘industrial products’’ each place it appears and inserting ‘‘fuels and biobased products’’;

(2) in subsection (b)—

(A) by redesignating paragraph (1), by striking ‘‘30(d)(1)(B)’’ and inserting ‘‘30(b)(1)(B)’’; and

(B) in paragraph (2), by striking ‘‘30(d)(1)(A)’’ and inserting ‘‘30(b)(1)(A)’’;

(3) in subsection (c)—

(A) in paragraph (1)(B), by striking ‘‘and’’ at the end;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

‘‘(3) as subparagraphs (C) and (D), respectively;’’

(4) ensure that the panel of scientific and technical peers assembled under section 307(c)(2)(C) to review proposals is composed predominantly of independent experts selected from outside the Departments of Agriculture and Energy.’’.

SEC. 104. BIOMASS RESEARCH AND DEVELOPMENT TECHNICAL ADVISORY COMMITTEE.

Section 306 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (A), by striking ‘‘biobased industrial products’’ and inserting ‘‘biofuels’’;

(B) by redesigning subparagraphs (B) through (J) as subparagraphs (C) through (K), respectively;

(C) by inserting after subparagraph (A) the following:

‘‘(B) an individual affiliated with the biobased industrial and commercial products industry.’’;

(D) in subparagraph (F) (as redesignated by subparagraph (B)) by striking ‘‘an individual’’ and inserting ‘‘2 individuals’’;

(E) in subparagraphs (C), (D), (G), and (I) (as redesignated by subparagraph (B)) by striking ‘‘industrial products’’ each place it appears and inserting ‘‘fuels and biobased products’’;

(F) in subparagraph (H) (as redesignated by subparagraph (B)), by inserting ‘‘and environmental’’ before ‘‘analysis’’;

(G) by redesigning subparagraphs (B) and (C) as subparagraphs (A) and (D), respectively;

(H) by inserting after subparagraph (A) the following:

‘‘(B) solicitations are open and competitive with awards made annually and that objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest; and’’;

(I) by inserting after subparagraph (F) the following:

‘‘(D) in subparagraph (C) (as redesignated by subparagraph (B)) by inserting ‘‘predominantly from outside the Departments of Agriculture and Energy’’ after ‘‘technical’’.'
(1) AGRICULTURE.—The Secretary of Agriculture, through the point of contact of the Department of Agriculture and in consultation with the Board, shall provide, or enter into, grants, contracts, and financial assistance under this section through the Cooperative State Research, Education, and Extension Service of the Department of Agriculture.

(2) ENERGY.—The Secretary of Energy, through the point of contact of the Department of Energy, shall provide, or enter into, grants, contracts, and financial assistance under this section through the Cooperative State Research, Education, and Extension Service and the Chief of the Natural Resources Conservation Service.

(c) OBJECTIVES.—The objectives of the Initiative are to—

(1) to increase the energy security of the United States;
(2) to create jobs and enhance the economic development of the rural economy;
(3) to enhance the environment and public health; and
(4) to diversify markets for raw agricultural products.

(e) TECHNICAL AREAS.—To advance the objectives and purposes of the Initiative, the Secretary of Agriculture and the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and heads of other appropriate departments and agencies (referred to in this section as the ‘‘Secretary’’), shall direct research and development toward—

(1) feedstock production through the development of crops and cropping systems relevant to production of raw materials for conversion to biobased fuels and biobased products, including—
(A) development of advanced and dedicated crops with desired features, including enhanced productivity, broader site range, low requirements for chemical inputs, and enhanced processing;
(B) advanced crop production methods to achieve the features described in subparagraph (A);
(c) feedstock harvest, handling, transport, storage, and critical processing;
(D) strategies for integrating feedstock production into existing managed land;
(2) overcoming recalcitrance of cellulosic biomass through developing technologies for converting cellulosic biomass into intermediates that can subsequently be converted into biobased fuels and biobased products, including—
(A) pretreatment in combination with enzymatic or microbial hydrolysis; and
(B) thermochemical approaches, including gasification and pyrolysis;
(3) product diversification through technologies relevant to production of a range of biobased products (including chemicals, animal feed, and power) that eventually can increase the feasibility of fuel production in a biorefinery, including—
(A) catalytic processing, including thermochemical fuel production;
(B) metabolic engineering, enzyme engineering, and fermentation systems for biochemical production of desired products or cogeneration of power;
(C) power recovery;
(D) power production technologies; and
(E) integration of existing biomass processing facilities, including starchy ethanol plants, paper mills, and power plants; and
(4) analysis that provides strategic guidance for the application of biomass technologies in accordance with realization of societal benefits in improved sustainability and environmental quality, cost effectiveness, security, and rural economic development, usually featuring system-wide approaches.

(f) ADDITIONAL CONSIDERATIONS.—Within the technical areas described in subsection (e), and in addition to advancing the purposes described in subsection (d) and the objectives described in subsection (c), the Secretary shall support research and development—

(1) to create continuously expanding opportunities for participants in existing fuel and biobased products industries by seeking synergies and continuity with current technologies and practices, including the use of dried distillers grains as a bridge feedstock;
(2) to maximize the environmental, economic, and social benefits of production of biobased fuels and biobased products on a large scale through life-cycle economic and environmental analysis and other means; and
(3) to assess the potential of Federal land and land management programs as feedstock resources for biobased products, consistent with the integrity of soil and water resources and with other environmental considerations.

(g) ELIGIBLE ENTITIES.—To be eligible for a grant, contract, or assistance under this section, an applicant shall be—

(1) an institution of higher education;
(2) a national laboratory;
(3) a Federal research agency;
(4) a State research agency;
(5) a private sector entity; or
(6) a nonprofit organization; or
(7) a consortia of eligible entities described in paragraphs (1) through (6).

(h) ADMINISTRATION.—

(1) IN GENERAL.—After consultation with the Board, the points of contact shall—

(A) publish annually 1 or more joint requests for proposals for grants, contracts, and assistance under this section;
(B) establish a priority in grants, contracts, and assistance under this section for research that advances the objectives, purposes, and additional considerations of this title;
(C) require that grants, contracts, and assistance under this section be awarded competitively, on the basis of merit, after the evaluation of proposals that address each of the technical areas identified in section 307(e); and
(D) give some preference to applications that—
(i) involve a consortia of experts from multiple institutions;
(ii) encourage the integration of disciplines and application of the best technical resources; and
(iii) increase the geographic diversity of demonstration projects.

(2) DISTRIBUTION OF FUNDING BY TECHNICAL AREA.—Funds authorized to be appropriated for activities described in this section—

(A) 20 percent shall be used to carry out activities for feedstock production under subsection (e)(1);
(B) 45 percent shall be used to carry out activities for overcoming recalcitrance of cellulosic biomass under subsection (e)(2);
(C) 30 percent shall be used to carry out activities for product diversification under subsection (e)(3); and
(D) 5 percent shall be used to carry out activities for strategic guidance under subsection (e)(4).

(3) DISTRIBUTION OF FUNDING WITHIN EACH TECHNICAL AREA.—Within each technical area described in paragraphs (1) through (3) of subsection (e)—

(B) 35 percent of funds shall be used for innovation; and
(C) 50 percent of funds shall be used for demonstration.

(4) MATCHING FUNDS.—

(A) IN GENERAL.—A minimum 20 percent funding match shall be required for demonstration projects under this title.

(B) NO OTHER REQUIREMENT.—No matching funds shall be required for other activities under this title.

(5) TECHNOLOGY AND INFORMATION TRANSFER TO AGRICULTURAL USERS.—

(A) IN GENERAL.—The Administrator of the Cooperative State Research, Education, and Extension Service and the Chief of the Natural Resources Conservation Service shall ensure that applicable research results and technologies from the Initiative are adapted, made available, and disseminated through those services, as appropriate.

(B) REPORT.—Not later than 2 years after the date of enactment of this paragraph, and every 2 years thereafter, the Administrator of the Cooperative State Research, Education, and Extension Service and the Chief of the Natural Resources Conservation Service shall submit to the committees of Congress with jurisdiction over the Initiative a report describing the activities conducted by the services under this subsection.

SEC. 106. REPORTS.

Section 309 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8110 note) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking ‘‘industrial product’’ and inserting ‘‘fuels and biobased products’’;
(B) in paragraph (3), by striking ‘‘industrial products’’ and inserting ‘‘fuels and biobased products’’;

(2) in paragraphs (1) through (5) of subsection (c), by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

‘‘(b) ASSESSMENT REPORT AND STRATEGIC PLAN.—Not later than 1 year after the date of enactment of the National Security and Energy Investment Act of 2005, the Secretary and the Secretary of Energy shall jointly submit to Congress a report that—

(1) describes the status and progress of current research and development efforts in both the Federal Government and private sector in achieving the objectives, purposes, and considerations of this title, specifically addressing each of the technical areas identified in section 307(e); and

(2) describes the actions taken to implement the improvements directed by this title, and

(3) outlines a strategic plan for achieving the objectives, purposes, and considerations of this title.’’.
through 2010''.

(ii) fiscal years 2003 through 2007'' and inserting

amended by striking ''$14,000,000 for each of

(3) biomass Research and Development Act of 2000

Section 310(b) of the Biomass Research and

described in paragraphs (2) and (3) of section

(b) in paragraph (2), by striking “indus-

(4) by inserting after subparagraph (D); and

(1) design, develop, and test low-cost gasifi-

(2) demonstrate low-cost electrical genera-

tion at such rural cooperatives or farmer-

(3) demonstrate the economic return to co-

operators or other businesses owned by

farmers of producing hydrogen from biomas

and selling electricity compared to agricul-

tural operations to minimize the cost of

biomass transportation to large central gas-

(2) a declining per gallon cap over the re-

(4) not more than $100,000,000 in any 1 year;

(2) a declining per gallon cap over the re-

(1) accelerate deployment and commer-

cialization of biofuels;

(2) deliver the first 1,000,000,000 gallons of

cellulosic biofuels by 2015;

(3) demonstrate outstanding potential for

local and regional economic development;

(1) Cellulosic Biofuels.—The term “cellu-

(4) demonstrate the use of biomass-derived hydrogen in various

agricultural vehicles to reduce

(A) dependence on imported fossil fuel; and

(B) environmental impacts.

(d) Authorization for Appropriations.—

There is authorized to be appropriated to carry out this title $250,000,000 for each of fiscal years 2006 through 2010.

(e) Priority.—In selecting a project under the program, the Secretary shall give priority to projects that—

(1) demonstrate outstanding potential for local and regional economic development;

(2) include agricultural producers or cooperatives of agricultural producers as equity partners in the project;

(3) have a strategic agreement in place to fairly reward feedstock suppliers.

(f) Funding.—

(1) The Secretary shall use to carry out this title $250,000,000 of funds of the Commodity Credit Corporation, to remain available until expended.

(2) Authorization of Appropriations.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated such sums as are necessary to carry out this title.

(3) First Reverse Auction.—The first reverse auction shall be held on or before the date of enactment of this Act.

(4) Reverse Auction Procedure.—

(1) GENERAL.—On initiation of the first reverse auction, and each year thereafter until the earlier of the first year of annual production in the United States of 10,000,000 gallons of cellulosic biofuels, as determined by the Secretary, or 10 years after the date of enactment of this Act, the Secretary shall conduct a reverse auction at which—

(i) the Secretary shall solicit bids from eli-

(ii) eligible entities shall submit—

(A) a required level of production incentive on a per gallon basis; and

(B) an estimated annual production amount in gallons; and

(3) demonstrate the economic return to cooperatives or other businesses owned by farmers of producing hydrogen from biomass and selling electricity compared to agricultural operations to minimize the cost of biomass transportation to large central gasification facilities, as determined by the Secretary.

(2) demonstrate low-cost electrical generation at such rural cooperatives or farmer-owned businesses, using renewable hydrogen produced from the electricity produced by renewable energy generating systems, or, as an interim cost reduction op-

tion, in conventional internal combustion engine gen-

ets; and

(4) evaluate the crop yield and long-term soil sustainability of growing and harvesting feedstocks for biomass gasification, and

(5) demonstrate the use of a portion of the biomass-derived hydrogen in various agricultural vehicles to reduce

(A) dependence on imported fossil fuel; and

(B) environmental impacts.

Sec. 107. Funding.

(a) Funding.—Section 310(a)(2) of the Bio-

mass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 8101 note) is amended by striking “$14,000,000 for each of fiscal years 2003 through 2007” and inserting “$200,000,000 for each of fiscal years 2006 through 2010”.

(b) Authorization of Appropriations.—

Section 310(b) of the Biomass Research and Develop-

ment Act of 2000 (Public Law 106–224; 7 U.S.C. 8101 note) is amended by striking “title $54,000,000 for each of fiscal years 2002 through 2007” and inserting “title $50,000,000 for fiscal year 2011 and each fiscal year thereafter”.

Sec. 108. Termination of Authority.

The Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 8101 note) is amended by striking “through (f) section 307”;

(2) by striking the provisions described in paragraphs (2) and (3) of section 307(h); and

(3) by striking section 311.

Sec. 109. BiomasDerived Hydrogen.

(a) In General.—The Secretary shall con-

duct a research, development, and demon-

stration program focused on the economic production and use of hydrogen from biofu-

cals, with emphasis on the rural trans-

duct a research, development, and dem-

stration program focused on the economic production and use of hydrogen from biofu-

and, participants in the rural electric-

tal generation sector shall be—

(1) conduct research, and to develop and test processes and equip-

ment, to produce low-cost liquid bio-

fueled vehicles that can be transported to distant fueling stations for the produc-

tion of hydrogen or for direct use in con-

ventional internal combustion engine vehicles;

(2) demonstrate the cost-effective produc-

tion of hydrogen from liquid bio-

fueled vehicles at the local fueling sta-

tion, to eliminate the costs associated with hydrogen long dis-

tances or building hydrogen pipeline net-

works;

(3) demonstrate the use of hydrogen de-

rived from liquid bio-

fueled vehicles at the local fueling sta-

tion, to eliminate the costs associated with hydrogen long dis-

tances or building hydrogen pipeline net-

works;

(4) demonstrate the use of hydrogen de-

rived from liquid bio-

fueled vehicles at the local fueling sta-

tion, to eliminate the costs associated with hydrogen long dis-

(1) Cellulosic Biofuels.—The term “cellu-

(1) demonstrate outstanding potential for

local and regional economic development;

(2) include agricultural producers or co-

operative in the development of the cellulosic biofuels industry;

(b) Responsibilities.—The Assistant Sec-

rural electrical generation sector shall be—

(1) design, develop, and test low-cost gasifi-

cation equipment to convert biomass to hy-

drogen at regional rural cooperatives, or at

businesses owned by farmers, close to agri-

cultural operations to minimize the cost of

biomass transportation to large central gas-

Sec. 301. Assistant Secretary of Agri-

culture for Energy and Biobased Products.

(a) Establishment.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish in the Department a position of Assistant Secretary of Agri-

culture for Energy and Biobased Products (referred to in this section as the “Assistant Secretary”).

(b) Responsibilities.—The Assistant Sec-

rural electrical generation sector shall be—

(1) design, develop, and test low-cost gasifi-

cation equipment to convert biomass to hy-


(1) the energy programs established under title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.); and
(2) all other programs and initiatives that the Secretary considers appropriate.

(c) CONFIRMATION REQUIREMENT.—The Assistant Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

(d) PERSONNEL.—The Secretary, acting through the Assistant Secretary, may transfer or assign work to personnel, or assign staff hours, on a permanent or a part-time basis, as needed, to the Office of the Assistant Secretary to carry out the functions and duties of the office.

(e) BUDGET.—The Secretary shall establish a budget for the office of the Assistant Secretary.

TITLE IV—PROCUREMENT OF BIΟBASED PRODUCTS

SEC. 401. FEDERAL PROCUREMENT.

(a) DEFINITION OF PROCUREMENT AGENCY. —Section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101) is amended—

(1) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and

(2) by inserting after paragraph (3) the following:

"(4) PROCUREMENT AGENCY. —The term ‘procuring agency’ means—

(A) any Federal agency that is using Federal funds to procure commodities or services; or

(B) any person contracting with any Federal agency with respect to work performed under the contract."

(b) PROCUREMENT.—Section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) is amended—

(1) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and

(2) by inserting after paragraph (3) the following:

"(4) PROCUREMENT AGENCY. —The term ‘procuring agency’ means—

(A) any Federal agency that is using Federal funds to procure commodities or services; or

(B) any person contracting with any Federal agency with respect to work performed under the contract."
(2) public education and outreach to familiarize consumers with the biobased fuels and biobased products.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this title $1,000,000 for each of fiscal years 2006 through 2010.

SEC. 602. REPORTS.

(a) PROGRESS REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representa- tives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on progress in establishing the Office of the Assistant Secretary of Agriculture for Energy and Biobased Products under title I.

(b) B I O B A S E D P R O D U C T P O T E N T I A L.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) describes the economic potential for the United States of the widespread production and use of commercial and industrial biobased products through calendar year 2025; and

(2) as the maximum extent practicable, identifies the economic potential by product area.

(c) ANALYSIS OF ECONOMIC INDICATORS.—Not later than 2 years after the date of enactment of this Act, and every 2 years there- after, the Secretary shall submit to Congress an analysis of economic indicators of the biobased economy during the 2-year period preceding the analysis.

JUNE 9, 2005.

HON. TOM HARKIN,
U.S. Senate, Washington, DC.

HON. RICHARD LUGAR,
U.S. Senate, Washington, DC.

Re the National Security and Bioenergy In- vestment Act of 2005.

DEAR SENATORS HARKIN AND LUGAR: The National Corn Growers Association (NCGA), the American Soybean Association (ASA), and the Renewable Fuels Association are writing to express our support for the National Security and Bioenergy Investment Act of 2005. In particular, we strongly support and endorse the National Corn Growers Association’s recommendation of the Coalition in Ethanol From Biomass, America’s 21st Century Transportation Fuel. When signed into law, this act will catalyze needed research, production, and use of biofuels and biobased products, thereby enhancing our economic, environmental, and national security.

The Coalition believes that the national’s de- pendency on imported oil presents a huge risk to this country’s future. The combination of political tensions in major oil-pro- ducing nations with growing oil demand from China and India is seriously threat- ening our national security. Moreover, as we import greater amounts of oil each year, we are draining more and more of the wealth from our states.

The key provisions contained in this bill bring focus and resources to biomass-derived ethanol research and commercialization ef- forts. The result, over time, will be the replac- ement of significant amounts of imported oil with domestically produced fuels—improving our rural economies, cleaning our air, and contributing to our national secu- rity. The American energy future is an issue of national importance. The continued expan- sion of ethanol production and use, particu- larly biomass-derived fuels, and the accom- panying economic growth and environmental benefit to the na- tion’s long-term economic vitality and na- tional security.

Sincerely,

TIM P A L W E N T
Chair, Governor of Minnesota.

KATHLEEN S E R E L I U S ,
Vice Chair, Governor of Kansas.

ENERGY FUTURE COALITION,
Washington, DC, June 8, 2005.

HON. TOM HARKIN,
H. Richard G. Lugar, U.S. Senate,
Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: On behalf of the Energy Future Coalition, I am writing to commend you and vi- sion in drafting the National Security and Bioenergy Investment Act of 2005.

Our judgment is that growing dependence on foreign oil endangers our national and economic security. We believe the Federal government should undertake a major new initiative to cut U.S. oil con- sumption through improved efficiency and the rapid development and deployment of advanced biomass, alcohol and other available petroleum fuel alternatives.

With such a push, we believe domestic biobased fuels can cut the nation’s oil use by 25 percent by 2025, and substantial further reductions are possible through greater efficiency gains from advanced technologies. That is an ambitious goal, but it is also an extrac- dinary opportunity for American leadership, innovation, job creation, and economic growth.

You took an important step forward by introducing S. 650, the Fuels Security Act, incor- porated into the Senate energy bill during Committee markup. This legislation is another important step, authorizing the ad- ditional research and development and fed- eral incentives needed to accelerate the adoption of biobased fuels and coproducts. We are pleased to support it.

Sincerely,

REID DETICHON.

BIOTECHNOLOGY INDUSTRY ORGANIZATION,
Washington, DC, June 8, 2005.

HON. TOM HARKIN,
Ranking Democratic Member,
Hon. Richard Lugar,
Member, U.S. Senate Committee on Agriculture,
Nutrition and Forestry, Russell Senate Of- fice Building, Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: The Biotechnology Industry Organization (BIO) Industrial and Environmental Section fully supports the National Security and Bioe- nergy Investment Act of 2005. We greatly appreciate your vision and initiative to ex- pand the Biomass Research and Development Act and to create new incentives to produce biofuels and biobased products.

America’s growing dependence on foreign energy is eroding our national security. We must take steps to drastically increase pro- duction of domestic energy. As an active par- ticipant in the Energy Future Coalition, BIO believes this country needs a major new ini- tiative to more aggressively research, de- velop and deploy advanced biofuels tech- nologies. With sufficient government sup- port, we can meet up to 25% of our transpor- tation fuel needs by converting farm crops and crop residues to transportation fuel.

The National Security and Bioenergy In- vestment Act of 2005 will boost the use of in- dustrial biotechnology to produce fuels and biobased products from renewable agricul- tural feedstocks. With the use of new biotech tools, we can now utilize millions of tons of crop residues, such as corn stover and wheat straw, to produce sugars that can then be converted to ethanol, chemicals and bio- based plastics. These biotech tools can only be fully deployed if public policymakers take steps to help our innovative companies get over the initial hurdles they face during
the commercialization phase of bioenergy production and your bill will help get that job done.

We are pleased to endorse this visionary legislation.

Sincerely,

BRENT ERICKSON,
Executive Vice President, Biotechnology Industry Organization.

NATURAL RESOURCES DEFENSE COUNCIL,
Washington, DC, June 7, 2005.

DEAR SENATORS HARKIN AND LUGAR: The Natural Resources Defense Council strongly supports the National Security and Bio-energy Investment Act of 2005, which you introduced today. This important bill would expand and refine research, development, demonstration and deployment efforts for the production of energy from crops grown by farmers here in America. The bill would also expand and improve the Department of Agriculture’s efforts to promote a biobased economy, federal bio-energy and bio-product purchasing, requirements, and federal educational efforts.

The Research and Development (R&D) title of this bill continues your tradition of leadership by updating the Biomass Research and Development Act of 2000, which you also crafted. This title will not only extend the provisions of the original bill and greatly increase the funding for these provisions, it will also refine the direction of this funding. Taken together, these changes maximizing R&D on the greatest challenges facing cellulosic biofuels today.

Your bill also creates extremely important production incentives for the first 10 billion gallons of cellulosic biofuels. The production incentives approach taken by the bill—a combination of fixed incentives per gallon plus a variable, production-based credit auction—will maximize the development of cellulosic biofuels production while minimizing the net costs.

In addition, the bill creates an Assistant Secretary of Agriculture for Energy and Biobased Products. Coupled with the bill’s development of new biobased product procurement provisions, and educational program, the bill would make a huge contribution to developing a sustainably biobased economy, reducing our dependence and improving our national security.

The technologies advanced by this bill will undoubtedly make important contributions to reducing our global warming pollution and the air and water pollution that comes from our dependence on fossil fuels. We are concerned, however, that the eligibility provisions for forest biomass do not exclude sensitive areas that need protecting, including roadless areas, old growth forests, and other endergered forests, and do not restrict eligibility to renewable sources or prohibit possible conversion of native forests to plantations. We know that you do not want to see this admirable legislation applied in ways that exploit these features, and will be happy to work with you in the future to take any steps needed to address these concerns.

Sincerely,

KAREN WAYLAND,
Legislative Director.

ENVIRONMENTAL LAW AND POLICY CENTER,
Chicago, IL, June 6, 2005.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HON. TOM HARKIN: Congratulations on your bill, National Security and Bio-energy Investment Act of 2005. It is a broad and ambitious piece of legislation. Your well-conceived bill, combining needed executive and legislative reforms, will help us to refocus our efforts on promoting research and development of all types of biofuels. The bill is especially welcome because it will give us the capability to turn biomass into transportation fuels.

Sincerely,

HOWARD A. LEARNER,
Executive Director.

INSTITUTE FOR LOCAL SELF-RELIANCE,
Washington, DC, June 6, 2005.

DEAR SENATOR TOM HARKIN: Congratulations on your legislation. The Research and Development (R&D) legislation of the National Security and Bioenergy Investment Act of 2005 is a significant step towards strengthening critical areas of research and development in the area of bioenergy. This legislation will help the United States to become a leader in bioenergy research and development.

Sincerely,

DAVID MORRIS,
Vice President.

By Mr. BINGAMAN:
S. 1211. A bill to establish an Office of Foreign Science and Technology Assistance United States to effectively analyze trends in foreign science and technology, and for other purposes; to the Committee on Foreign Relations.

Mr. BINGAMAN. Mr. President—I rise today to introduce a bill that would establish a capability within the State Department Science Advisor’s Office to assess science and technology outside the United States.

Over the past two years, I have traveled to Taiwan, China and India to better understand why these developing countries’ economies were growing so rapidly. I learned that in all cases the primary reason for their robust growth was the emergence of a well-trained science and engineering workforce that tied directly into their highly competitive innovation economies.

For instance, Taiwan now leads the world in general purpose foundry computer chip facilities, controlling about 70 percent of the world market. A recent Defense Science Board Report entitled “High Performance Microchip Supply” notes that by 2005 there will be 39 300mm chip fabrication plants with only 16 of these located in the United States. The number of U.S. plants has remained constant for the past two years, so as the number of Asian foundries, the share of these advanced chip making facilities has declined from 30 to 20 percent. This report also notes that capital expenditures in the U.S. chip industry has fallen from a high of 42 percent in 2001 to 33 percent in 2004. Conversely, Taiwan’s investment has increased from 15 percent in 2002 to 20 percent of the world’s capital expenditure in chip facilities and now leads Korea, Japan, and European countries.

There is a good explanation as to why countries such as Taiwan are rapidly rising in the high-technology world. Since 1984 Taiwan has made steady increases in investments in the building of science based research parks. Hsinchu, their flagship science park, now has over 324 high technology companies, generating over $22 billion annually in gross revenues, and employing a high technology workforce exceeding 100,000. This science park is bounded by two universities and contains six national laboratories. Taiwan is now building science parks in the middle and south of the island to contain such areas as nanoscience, optoelectronics, and biotechnology. These parks are the result of a number of carefully crafted government policies and incentives dealing with taxes, real estate, and fundamental research. In the area of technology transfer, the Taiwan government helped set up the world famous Industrial Technology Research Institute (ITRI) which has over 5,000 scientists working to transfer industry ideas across the “valley of death” into new industries. Remarkably, the two chip foundry companies which now control 70 percent of the world’s foundry market were launched from ITRI. As a result of this rapid economic growth, Taiwan’s technical universities are now world class with their own excellent graduate programs. The reason they are side-by-side with these large science parks is to supply a steady stream of talented postgraduate students.

Recently, our National Academy of Sciences noted in its report, “International Graduate Students and Postdoctoral Scholars,” that Taiwan’s domestic economic growth has led to foreign Taiwanese students going to U.S. graduate schools. For the past two decades, Taiwan’s students were the core supply of talent in our innovative science and engineering graduate school programs. Of equal concern, the success of these scholars who attended graduate school in the United States 20 or 30 years ago are now returning home and giving back their
The bill I am introducing today, may be small, but the consequences are enormous. This measure proposes to authorize a capability in the office of the Science Advisor to the Secretary of State to conduct assessments of the science and technology capabilities in other countries such as India, China and Taiwan.

The director of this office will report to the Secretary of State’s Science Advisor. The office will to the maximum extent possible utilize firms that can conduct science and technology assessments in the country of interest to minimize and augment the federal staff. That is why I have proposed giving the office generous contracting authorities with respect to soliciting contracts and disbursing funds so that it may move quickly to gather information on certain topics so that we as a nation are not caught by surprise by an advance in a high technology area.

Additionally, this legislation authorizes the Foreign Science and Technology Assessment Panel whose purpose is to look over the horizon and choose topics and technologies to assess, as well as to evaluate the timeliness and quality of the reports generated. These reports are to be publicly available, benefiting not only our government by ensuring the nation’s leadership in science and engineering, but also our private sector, especially those high technology firms that must successfully compete in a fierce global market. The panel members will be selected by the Secretary of State in consultation with the Director of the Office of Science and Technology Policy, will be distinguished leaders who have expert knowledge about our competitors’ capabilities in science and technology.

High technology moves at a rapid rate, and every sign I picked up from my science and technology trips to China, India, Taiwan and Japan indicates to me that our government seems to conduct science and technology assessment reports, methodologies, subjects of study, and the means of improving the quality and timeliness of the Office.

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. 2311
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 “Foreign Science and Technology Assessment Act of 2005”.

SEC. 2. OFFICE OF FOREIGN SCIENCE AND TECHNOLOGY ASSESSMENT.

(a) ESTABLISHMENT.—There is established within the Department of State an Office of Foreign Science and Technology Assessment.

(b) DIRECTOR.—The head of the Office shall be a Director, who shall be the Science Advisor to the Secretary of State.

(c) PURPOSE.—The purpose of the Office shall be to assess foreign science and technologies that have the capability to cause a loss of high technology industrial leadership in the United States.

(d) OPERATION.—In preparing an assessment of science and technology for a foreign country, the Director shall utilize, to the extent feasible, United States entities capable of operating effectively within such foreign country.

(e) AVAILABILITY OF ASSESSMENTS.—The Director shall make each assessment of foreign science and technology prepared by the Office available to the public in a timely manner.

(f) AUTHORITY.—In order to gain access to technical knowledge, skills, and expertise necessary to prepare an assessment of foreign science and technology, the Secretary of State may utilize individuals and enter into contracts or other arrangements to acquire necessary expertise for the Office.

(2) the Director shall utilize, to the extent feasible, United States entities capable of operating effectively within such foreign country.

(3) The Director shall make each assessment of foreign science and technology prepared by the Office available to the public in a timely manner.

(4) The Director shall utilize, to the extent feasible, United States entities capable of operating effectively within such foreign country.

SEC. 3. FOREIGN SCIENCE AND TECHNOLOGY ASSESSMENT PANEL.

(a) ESTABLISHMENT.—The Secretary of State shall establish the Foreign Science and Technology Assessment Panel.

(b) PURPOSE.—The purpose of the Panel shall be to provide advice on assessments performed by the Office of Foreign Science and Technology Assessment, including review of foreign science and technology assessment reports, methodologies, subjects of study, and the means of improving the quality and timeliness of the Office.

(c) MEMBERSHIP.—The Panel shall consist of 5 members who, by reason of professional training and experience, are especially qualified to provide advice on the activities of science and technology in foreign countries as such activities apply to the United States.

(d) APPOINTMENT.—The Secretary of State, in consultation with the Director of the Office of Science and Technology Policy in the Executive Office of the President, shall appoint the panel members.

(e) TERM.—A member shall be appointed to the Panel for a term of 3 years.

(f) AUTHORITY TO ACCEPT SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary of State may accept and employ voluntary and uncompensated services (except for reimbursement of travel expenses) for the purposes of the Panel. An individual providing such a voluntary and uncompensated service may not be considered a Federal employee, except for purposes of chapter 81 of title 5, United States Code, with respect to job-incurred disability and title 28, United States Code, with respect to tort claims.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

By Ms. STABENOW (for herself and Mr. LEVIN):
S. 1212. A bill to require the Commandant of the Coast Guard to convey the Coast Guard Cutter Mackinaw, upon its scheduled decommissioning, to the City and County of Cheboygan, Michigan, to use for purposes of a museum, and for other purposes.

Ms. STABENOW. Mr. President, I rise today to introduce legislation that will convey the United States Coast Guard Cutter Mackinaw to the City and County of Cheboygan for use as a museum.

The United States Coast Guard Cutter Mackinaw, or the "Big Mac" as she is affectionately called, was commissioned December 29, 1944. She was commissioned her construction during World War II to keep the shipping lanes open during winter months to maintain the production of steel. The Mackinaw has provided 60 years of outstanding service to the commercial enterprises of the Great Lakes.

The Mackinaw was a state of the art ice breaker ideally suited for the Great Lakes because of her shallower draft, wider beam, and longer length than the polar ice breaker that her design was based on. These attributes enable the Mackinaw to break a 20 foot wide channel through 4 feet of solid blue ice to accommodate the largest of the Great Lakes ore carriers. She has also plowed through a remarkable 37 feet of broken ice.

The Mackinaw breaks ice for 12 of the 42 weeks of the Great Lakes shipping season. Typically, the Mackinaw begins her ice breaking season in the first week of March in the Straights of Mackinac and works her way up through the Soo Locks, to Whitefish Bay and areas of the St. Mary's River before heading to Lake Superior. During her 70 years of service, the Mackinaw has enabled the shipping season to start sooner and last longer to enable the annual delivery of 15 tons of iron ore and other materials. Later in the year the Mackinaw works in the lower Lakes' areas where she serves as a buoy tender, carries fuel and supplies to light stations, serves as a training ship, and assists vessels in distress when necessary.

The Mackinaw has been stationed in Cheboygan since she began operations in the end of December 1944. She will serve through the winter of 2005 and 2006 and then be decommissioned by the Coast Guard. The Mackinaw will be a great local attraction, encourage tourism, build jobs and aid the local economy.

The City of Cheboygan and the surrounding community are committed to transforming this historic landmark into a museum after she has been decommissioned. 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. 1212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. CONVEYANCE OF DECOMMISSIONED COAST GUARD CUTTER MACKINAW

(a) In general.—Upon the scheduled decommissioning of the Coast Guard Cutter MACKINAW, the Commandant of the Coast Guard shall convey all right, title, and interest of the United States in and to that vessel to the City and County of Cheboygan, Michigan, without consideration, if—

(1) the recipient agrees—

(A) to use the vessel for purposes of a museum;

(B) not to use the vessel for commercial transportation purposes;

(C) to make the vessel available to the United States Government if needed for use by the Commandant in time of war or a national emergency; and

(D) to hold the Government harmless for any claims arising from exposure to hazardous materials, including asbestos and polychlorinated biphenyls (PCBs), after conveyance of the vessel under this section;

(2) the recipient has funds available that will be committed to operate and maintain the vessel conveyed in good working condition, in the form of cash, liquid assets, or a written loan commitment, and in an amount of at least $700,000;

(3) the recipient agrees to any other conditions the Commandant considers appropriate.

(b) MAINTENANCE AND DELIVERY OF VESSEL.—Prior to conveyance of the vessel under this section, the Commandant shall, to the extent practical, and subject to other Coast Guard mission requirements, make every effort to maintain the integrity of the vessel and its equipment until the time of delivery. If a conveyance is made under this section, the Commandant shall deliver the vessel at the place where the vessel is located, in its present condition, and without excess equipment or parts from other decommissioned Coast Guard vessels for use to enhance the vessel's operability and function for purposes of a museum.

By Ms. STABENOW (for herself and Mr. SMITH):

S. 1213. A bill to amend the Internal Revenue Code of 1986 to allow a refundable credit against income tax for the purchase of a principal residence by a first-time homebuyer; to the Committee on Finance.

Ms. STABENOW. Mr. President, I believe "home" is one of the warmest words in the English language. At the end of the day, I think the favorite phrase of every working man and woman in this country is: "Well, I'll see you tomorrow. I'm going home now.

And, that is why I rise today to introduce the First Time Homebuyers' Tax Credit Act of 2005.

The bill I am introducing will spread that warmth by opening the door to homeownership to millions of hard-working families, helping them cover the initial down payment and closing costs.

This initiative is in keeping with our longstanding national policy of encouraging homeownership.

Owning a home has always been a fundamental part of the American dream.

We, in Congress, have long recognized the social and economic value in high rates of homeownership through laws that we have enacted, such as the mortgage interest tax deduction and the capital gains exclusion on the sale of a home.

Over the life of a loan, the mortgage interest tax deduction can save homeowners thousands of dollars that they could use for other necessary family expenses such as education or health care.

These benefits, however, are only available to individuals who own their own home.

It is important also to note that owning a home is a principle and reliable source of savings as homeowners build equity over the years and their homes appreciate in value. For many people, it is home equity—not stocks—that help them through the retirement years.

In addition, owning a home insulates people from spikes in housing costs. Indeed, while rents may go up, the costs of a fixed monthly mortgage payment, in relative terms, will go down over the course of the mortgage.

Clearly, one of the biggest barriers to homeownership for working families is the cost of a down payment and the costs associated with closing a mortgage.

According to the Mortgage Bankers Association, typical closing costs on an average sized loan of $200,000 can approach approximately $6,000. Even with mortgage products that allow a down payment of 3 percent of the value of a home, total costs can quickly approach $9,000.

This is an impossible amount to save for those who are working hard to make ends meet. The problem is only getting worse as home values climb faster than families can save for a down payment.

To address this problem, I am introducing the First Time Homebuyers' Tax Credit Act of 2005.

My bill authorizes a one-time tax credit of up to $3,000 for individuals and $6,000 for married couples.

This credit is similar to the existing mortgage interest tax deduction that it creates incentives for people to buy a home.

To be eligible for the credit, taxpayers must be first-time homebuyers who were within the 25 percent bracket or lower in the year before they purchase their home. That is $71,950 for single filers, $102,800 for heads of household, and $119,950 for joint returns. There is a dollar-for-dollar phase-out beyond the cap.

S. 1214

CONGRESSIONAL RECORD — SENATE

June 9, 2005
Normally, tax credits like this are an after-the-fact benefit. They do little to get people actually into a home.

What is particularly innovative and beneficial about the tax credit in this bill, however, is that, for the first time, the taxpayer can either claim the credit in the year in which they buy a first home or the taxpayer can transfer the credit directly to a lender at closing.

The transferred credit would go toward helping with the down payment or closing costs. This is cash at the table.

I am happy to say that this legislation has had strong support. When this bill was first introduced in 2003 it garnered the support of: The American Bankers Association, America’s Community Bankers, the Housing Partnership Network, the National Association of Affordable Housing Lenders, the Manufactured Housing Institute, Fannie Mae, Freddie Mac, National Community Reinvestment Coalition, Standard Federal Bank, Habitat for Humanity, and the National American Indian Housing Council.

Clearly, the breadth and diversity of support is strong for this legislation.

This is a bold and aggressive effort to reach out to a large number of working families to help them get into this first home.

The Joint Committee on Taxation has estimated that more than fifteen million working people would get into their first home over the next seven years because of this new tax credit.

We are working to send a message to people all over the country that if you are working hard to save up enough to get into that first home, the Federal government will make a strategic investment in your family—it will offer a hand up.

This is not unlike what we already do through the mortgage interest tax deduction for millions of people who are fortunate enough to already own their own home.

We certainly won’t do all the hard work that must be frugal and save and do most of the work yourself, but we, in Congress, understand that it is good for America to enhance homeownership.

We also understand that this sort of investment in working families stimulates the economy.

No one can deny that when the First Time Homebuyers’ Tax Credit is enacted and used by millions of people, every single time the credit is used, it will be stimulative. Why?

Because you know someone bought a house. And that generates economic activity for multiple small business people. House appraisers and Inspectors, Realtors, Lenders, Title insurers. And so on. And there is a ripple of economic activity by the new homeowners as they fix up their new homes and get settled in.

Housing has been such a bright light in the sluggish economy we’ve faced for the last five years. My bill is designed to ensure that the housing sector remains a strong component of our economy.

Finally, let me close by emphasizing how happy and proud I am that this tax legislation is bipartisan. In a closely divided Senate, and a closely divided Congress, it is so important to work across the aisle and Senator Smith, who is a real champion for good housing policy, is someone I want to work closely with on this bill and other important housing legislation. He understands how housing tax benefits help build strong communities and provide economic security for millions of families.

I am committed to seeing this legislation passed. And, I welcome the chance to work with all of my colleagues to see the dream of homeownership expanded to all people.

Home. Sentimentally, it is one of the warmest words in the English language. Economically, it’s the key word in bringing millions of families in from the cold and letting them begin building wealth for themselves and their family.

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. 1213

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 “First-Time Homebuyers’ Tax Credit Act of 2003.

SEC. 2. REFUNDABLE CREDIT FOR FIRST-TIME HOMEBUYERS.

(a) IN GENERAL.—Subpart C of part IV of chapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

SEC. 36. PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

(a) ALLOWANCE OF CREDIT.—In the case of an individual who is a first-time homebuyer of a principal residence in the United States during any taxable year, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 10 percent of the purchase price of the residence.

(b) LIMITATIONS.—

(1) MAXIMUM DOLLAR AMOUNT.—(A) IN GENERAL.—The credit allowed under subsection (a) shall not exceed the excess (if any) of—

(i) $3,000 (2 times such amount in the case of a joint return) over

(ii) the credit transfer amount determined under subsection (c) with respect to the purchase to which subsection (a) applies.

(B) BEFORE 2004.—In the case of any taxable year beginning after December 31, 2005, the $3,000 amount under subparagraph (A) shall be increased by an amount equal to $3,000, multiplied by the cost-of-living adjustment determined under section 1(f)(5) for the calendar year in which the taxable year begins by reference to ‘1992’ in subparagraph (B) thereof. If the $3,000 amount as adjusted under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10.

(2) TAXABLE INCOME LIMITATION.—

(A) IN GENERAL.—If the taxable income of the taxpayer for any taxable year exceeds the maximum taxable income in the table under subsection (a), (b), (c), or (d) of section 1, whichever is applicable, to which the 25 percent rate applies, the dollar amounts in effect under paragraph (1) for such taxpayer for the following taxable year shall be reduced (but not below zero) by the amount of the excess.

(B) CHANGE IN RETURN STATUS.—In the case of married individuals filing a joint return for any taxable year who did not file such a joint return for the preceding taxable year, subparagraph (A) shall be applied by reference to the highest income of either such individual for the preceding taxable year.

(c) TRANSFER OF CREDIT.—

(1) IN GENERAL.—A taxpayer may transfer all or part of the credit allowed under subsection (a) to 1 or more persons as payment of any liability of the taxpayer arising out of—

(i) the downpayment of any portion of the purchase price of the principal residence, and

(ii) closing costs in connection with the purchase (including any points or other fees incurred in financing the purchase).

(2) CREDIT TRANSFER MECHANISM.—

(A) IN GENERAL.—Not less than 180 days after the date of the enactment of this section, the Secretary shall establish and implement a credit transfer mechanism for purposes of paragraph (1). Such mechanism shall require the Secretary to—

(i) certify that the taxpayer is eligible to receive the credit provided by this section with respect to the purchase of a principal residence and that the transferee is eligible to receive the credit transfer,

(ii) certify that the taxpayer has not received the credit provided by this section with respect to the purchase of any other principal residence,

(iii) certify the credit transfer amount which will be paid to the transferee, and

(iv) require any transferee that directly receives the credit transfer amount from the Secretary to notify the taxpayer within 14 days of the receipt of such amount.

Any check, certificate, or voucher issued by the Secretary pursuant to this paragraph shall include the taxpayer identification number of the taxpayer and the address of the principal residence being purchased.

(B) TIMELY RECEIPT.—The Secretary shall issue the credit transfer amount not less than 30 days after the date of the receipt of an application for a credit transfer.

(C) PAYMENT OF INTEREST.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall pay interest on any amount which is not paid to a person during the 30-day period described in paragraph (2)(B).

(B) AMOUNT OF INTEREST.—Interest under subparagraph (A) shall be allowed as a credit against the tax imposed by this subtitle for the taxable year ending after December 31, 2005.

(i) from the day after the 30-day period described in paragraph (2)(B) to the date payment is made, and

(ii) at the overpayment rate established under section 6621.
"(C). EXCPTION.—This paragraph shall not apply to failures to make payments as a result of any natural disaster or other circumstance beyond the control of the Secretary.

"(4) EFFECT ON LEGAL RIGHTS AND OBLIGATIONS.—Nothing in this subsection shall be construed to authorize or require the taxpayer to make a purchase in order to be entitled to the credit authorized by this subsection.

"(A) require a lender to complete a loan transaction before the credit transfer amount has been transferred to the lender,

"(B) prevent a lender from altering the terms of a loan (including the rate, points, fees, and other costs) due to changes in market conditions or other factors during the period of time between the application by the taxpayer for a credit transfer and the receipt by the lender of the credit transfer amount.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) FIRST-TIME HOMEBUYER.—

"(A) The term 'first-time homebuyer' has the same meaning as when used in section 72(t)(6)(D)(i).

"(B) ONE-PERSON ONLY.—If an individual is treated as a first-time homebuyer with respect to any principal residence, such individual may not be treated as a first-time homebuyer with respect to any other principal residence.

"(C) MARRIED INDIVIDUALS FILING JOINTLY.—In the case of married individuals who file a joint return, the credit under this section is allowable only if both individuals are first-time homebuyers.

"(D) OTHER TAXPAYERS.—If 2 or more individuals who are not married purchase a principal residence—

"(i) the credit under this section is allowable only if each of the individuals is a first-time homebuyer,

"(ii) the amount of the credit allowed under subsection (a) shall be allocated among such individuals in such manner as the Secretary may prescribe, except that the total amount of the credits allowed to all such individuals shall not exceed the amount in effect under subsection (b)(1)(A) for individuals filing joint returns.

"(2) principal residence.—The term 'principal residence' has the same meaning as when used in section 72.

"(3) PURCHASE.—

"(A) IN GENERAL.—The term 'purchase' means any acquisition, but only if—

"(i) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707 (b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only the individual's spouse, ancestors, and lineal descendants), and

"(ii) the basis of the property in the hands of the person acquiring it is not determined—

"(I) in whole or in part by reference to the adjusted basis of such property in the hands of the person to whom it was transferred,

"(II) under section 1014(a) (relating to property acquired from a decedent).

"(B) CONSTRUCTION.—A residence which is constructed by the taxpayer shall be treated as purchased by the taxpayer.

"(4) PURCHASE PRICE.—The term 'purchase price' means the adjusted basis of the principal residence as of the date of acquisition (within the meaning of section 72(t)(b)(D)(iii)).

"(e) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

"(f) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section to the purchase of any residence, the basis of such residence shall be reduced by the amount of the credit so allowed.

"(g) PROPERTY TO WHICH SECTION APPLIES.—

"(1) IN GENERAL.—The provisions of this section apply to a principal residence if—

"(A) the taxpayer acquires the residence on or after January 1, 2005, and before January 1, 2010, or

"(B) the taxpayer enters into, or on or after January 1, 2005, and before January 1, 2010, a binding contract to purchase the residence, and purchases and occupies the residence before July 1, 2011.

"(h) CONFORMING AMENDMENTS.—

"(1) Subsection (a) of section 1016 of the Internal Revenue Code of 1986 (relating to general rule for adjustments to basis) is amended by striking the end of paragraph (30), by adding at the end of paragraph (31) and inserting ‘‘; and,’’ and by adding at the end the following new paragraph:

"‘‘(32) in the case of a residence with respect to which a credit was allowed under section 36, to the extent provided in section 36(f).’’;

"(2) Section 1324(b)(2) of title 31, United States Code, is amended by striking ‘‘or’’ before ‘‘enacted’’ and by inserting before the period at the end ‘‘; or from section 36 of such Code’’.

"(i) C LERICAL AMENDMENT.—The table of contents for chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 36 and inserting the following new item:

"‘‘Sec. 36. Purchase of principal residence by first-time homebuyer. ‘‘Sec. 37. Overpayments of tax.’’;

"(j) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

"(k) MORTGAGE BANKERS.—The amendments made by this section shall apply to amounts paid after December 31, 2004, and before January 1, 2010, in connection with mortgage transactions that occurred before January 1, 2005, and before January 1, 2010, for which deductions or credits were allowed under section 36(f) of the Internal Revenue Code of 1986, and the amounts paid after December 31, 2004, and before January 1, 2010, for which deductions or credits were allowed under section 36(f) of the Internal Revenue Code of 1986, and the amounts paid after December 31, 2004, and before January 1, 2010, for which deductions or credits were allowed under section 36(f) of the Internal Revenue Code of 1986, and the amounts paid after December 31, 2004, and before January 1, 2010, for which deductions or credits were allowed under section 36(f) of the Internal Revenue Code of 1986.
all we are saying is that if an employee provides insurance coverage for all other prescription drugs, they must also provide coverage for FDA-approved prescription contraceptives—it is that simple, it is that fair, and it builds on existing law and jurisprudence.

The approach we are taking today has already been endorsed by a total of 29 states—including my home state of Maine—that have passed similar laws since 1998. This is real progress, but this piecemeal approach leaves many American women at the mercy of geography when it comes to the coverage they deserve.

But fairness is not the only issue. We believe that EPICC not only makes sense in terms of the cost of contraceptives for women, but also as a means of bridging the pro-choice pro-life chasm by helping prevent unintended pregnancies and thereby also preventing abortions. The fact of the matter is, we know that almost 1 million unintended pregnancies every year in the United States. We also know that almost half of those pregnancies result from women who do not use contraceptives. Most of the other half involved inconsistent contraceptive use or no contraceptives—and in many of these cases, the women would benefit from counseling or provision of a contraceptive which is more appropriate to their circumstances.

Surveys consistently demonstrate that almost nine out of ten Americans support contraception access and over 75 percent support laws requiring health insurance plans to cover methods of contraception such as birth control pills.

The question before us is: If EPICC-style coverage is good enough for 9 million federal employees and their dependents, if it is good enough for every Member of Congress and every Senator, why is it not good enough for the American people?

Women should have control over their reproductive health. It is the best interests of their overall health, their children and their future children’s health—and when we have fewer unintended pregnancies, we will reduce the number of abortions. We need to finally fix this inequity in prescription drug coverage and make certain that all American women have access to this most basic need. I thank all of those who have supported us in this effort, and call upon each of my colleagues to join us to ensure that more couples have access to family planning to reduce unwanted pregnancies, and to assure the health and security of American families.

Mr. REID. Mr. President, this week marks the fortieth anniversary of the U.S. Supreme Court decision in Griswold v. Connecticut that struck down a Connecticut law that made the use of birth control by married couples illegal. This decision laid the groundwork for widespread access to birth control for all American women.

In the 40 years since this landmark decision, increased access to birth control has contributed to a dramatic improvement in maternal and infant health and has drastically reduced the infant death rate in our country.

In spite of these advances, we still have a long way to go. The United States has among the highest rates of unintended pregnancies of all industrialized nations. Half of all pregnancies in the United States are unintended, and nearly half of those end in abortion.

Making contraception more accessible and affordable is one crucial step toward reducing unintended pregnancies, reducing abortions and improving women’s health. We cannot allow the pendulum to swing backwards. That is why Senator Snowe and I are reintroducing the Equity in Prescription and Contraception Coverage Act of 2005, EPICC. Over the last 8 years, Senator Snowe and I have joined together to advance this important legislation.

The EPICC legislation is also a critical component of the Prevention First Act, S. 20. This legislation includes a number of provisions that will improve women’s health, reduce the rate of unintended pregnancies and reduce abortions.

The legislation we are introducing today proves we can find not only common ground, but also a commonsense solution to these important challenges. By making sure women can afford their prescription contraceptives, our bill will help to reduce the staggering rates of unintended pregnancy in the United States, and reduce abortions. It is a national tragedy that half of all pregnancies nationwide are unintended, and that half of those will end in abortions. It is a tragedy, but it doesn’t have to be. If we work together, we can prevent these unintended pregnancies and abortions.

One of the most important steps we can take to prevent unintended pregnancies, and to reduce abortions, is to make sure American women have access to affordable, effective contraception.

There are a number of safe and effective contraceptives available by prescription. Used properly, they greatly reduce the rate of unintended pregnancies.

However, many women simply can’t afford these prescriptions, and their insurance doesn’t pay for them, even though it covers other prescriptions.

This is not fair. We know women on average earn less than men, yet they must pay far more than men for health-care needs.

According to the Women's Research and Education Institute, women of reproductive age pay 68 percent more in out-of-pocket medical expenses than men, largely due to their reproductive health-care needs.

Because many women can’t afford the prescription contraceptives they would like to use, many do without
them, and the result, all too often, is unintended pregnancy and abortion.

This isn’t an isolated problem. The fact is, a majority of women in this country are covered by health insurance plans that do not provide coverage for prescription contraceptives.

This has been unfair to women. It is bad policy that causes additional unintended pregnancies, and adversely affects women’s health.

Senator SNOWE and I first introduced our legislation in 1997. Since then, the Viagra pill went on the market, and one month later it was covered by most insurance policies.

Birth control pills have been on the market since 1966, and today, 45 years later, they are covered by only one-third of health insurance policies.

So, today we find ourselves in the inexplicable situation where most insurance policies pay for Viagra, but not for prescription contraceptives that prevent unintentional pregnancies and abortions.

This isn’t fair, and it isn’t even cost-effective, because most insurance policies do cover sterilization and abortion procedures. In other words, they won’t pay for the pills that could prevent an abortion, but they will pay for the procedure itself, which is much more costly.

The Federal Employee Health Benefits Program, which has provided contraceptive coverage for several years, shows that coverage does not make the plan more expensive.

In December 2000, the U.S. Equal Employment Opportunity Commission, EEOC ruled that an employer’s failure to include insurance coverage for prescription contraceptives, when other prescription drugs and devices are covered, constitutes unlawful sex discrimination under Title VII of the Civil Rights Act of 1964.

On June 12, 2001, a Federal district court in Seattle made the same finding in the case of Erickson vs. Bartell Drug Company.

These decisions confirm what we have known all along: contraceptive coverage is a matter of equity and fairness for women.

We are not asking for special treatment of contraceptives, only equitable treatment within the context of an existing prescription drug benefit.

This legislation is right because it is fair to women.

It is right because it is more cost-effective than other services, including abortions, sterilizations and tubal ligation costs, costly procedures that most insurance companies routinely cover.

And it is right because it will prevent unintended pregnancies and reduce abortions, goals we all share.

This is common sense, common ground legislation, and it is long overdue.

By Mr. GREGG (for himself, Ms. MIKULSKI, Mr. SARBADES, Mr. BIDEN, Mr. CORZINE, Ms. SNOWE, Mr. REED, Ms. CANTWELL, Mrs. MURRAY, Mr. COCHRAN, Mr. KERRY, Mr. INOUYE, and Mrs. FEINSTEIN):

S. 1215. A bill to authorize the acquisition of interests in undeveloped coastal areas in order better to ensure their protection and use; and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. GREGG. Mr. President, I rise today along with Senator MIKULSKI to introduce the Coastal and Estuarine Land Protection Act. We are introducing this much needed coastal protection act along with Senators SARBADES, BIDEN, CORZINE, SNOWE, REED, CANTWELL, MURRAY, COCHRAN, KERRY, WTYDEN, and INOUYE. In addition, this legislation is supported by the Trust for Public Land, Coastal States Organization, International Association of Fish and Wildlife Agencies, Association of National Estuary Programs, the Land Trust Alliance, Society for the Protection of New Hampshire Forests, The Conservation Fund, NH Audubon, Restore America’s Estuaries, and National Estuarine Research Reserve Association.

The Coastal and Estuarine Land Protection Act promotes acquirement land acquisition and protection efforts in coastal and estuarine areas by fostering partnerships among non-governmental organizations and Federal, State, and local governments. As clearly outlined by the U.S. Commission on Ocean Policy, these efforts are urgently needed. With Americans rapidly moving to the coast, pressures to develop critical coastal ecosystems are increasing. There are fewer and fewer undeveloped and pristine areas left in the Nation’s coastal and estuarine watersheds. These areas provide important nursery habitat for two-thirds of the Nation’s commercial fish and shellfish, provide nesting and foraging habitat for coastal birds, harbor significant natural plant communities, and serve to facilitate coastal flood control and pollutant filtration.

The Coastal and Estuarine Land Protection Act pairs willing sellers through community-based initiatives with sources of Federal funds to enhance environmental protection. Lands can be acquired in full or through easements, and none of the lands purchased through this program would be held by the Federal Government. This bill puts land conservation initiatives in the hands of State and local communities. This new program, authorized through the Oceanic and Atmospheric Administration at $60,000,000 per year, would provide Federal matching funds to States with approved coastal management programs or to National Estuarine Research Reserves through a competitive grant process. Federal matching funds may not exceed 75 percent of the cost of a project under this program, and non-Federal sources may count only toward their portion of the cost share.

This coastal land protection program provides much needed support for local coastal conservation initiatives throughout the country. For instance, I have worked hard to secure significant funds for the Great Bay estuary in New Hampshire. This estuary is the jewel of the seacoast region, and is home to a wide variety of plants and animal species that are particularly threatened by encroaching development and environmental pollutants. By working with local communities to purchase lands or easements on these valuable parcels of land, New Hampshire has been able to successfully conserve the natural and scenic heritage of this vital estuary.

Programs such as the Coastal and Estuarine Land Protection program will further enable other States to participate in these community-based conservation efforts in coastal areas. This program was modeled after the U.S. Department of Agriculture’s successful Forest Legacy Program, which has conserved millions of productive and ecologically significant forest land around the country.

I welcome the opportunity to offer this important legislation, with my good friend from Maryland, Senator MIKULSKI. I am thankful for her leadership on this issue, and look forward to working with her to make the vision for this legislation a reality, and to successfully conserve our coastal lands for their ecological, historical, recreational, and aesthetic values.

By Mr. CORZINE:

S. 1216. A bill to require financial institutions and financial service providers to notify customers of the unauthorized use of personal financial information, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. CORZINE. Mr. President, identity theft is a serious and growing concern facing our Nation’s consumers. According to the Federal Trade Commission, nearly 10 million Americans were the victims of identity theft in 2003, three times the number of victims just 3 years earlier. Research shows that there are more than 13 identity thefts every minute.

According to the Identity Theft Resource Center, identity theft victims spend on average nearly 600 hours recovering from the crime. Additional research indicates the costs of lost wages and income as a result of the crime can soar as high as $16,000 per incident. No one wants to suffer this kind of hardship.

Events this week have further served to highlight how serious the problem has become. The announcement by Citigroup that a box of computer tapes containing information on 3.9 million customers was lost by United Parcel Service in my own State of New Jersey while in transit to a credit reporting agency is the latest in a line of recent, high profile incidents. In fact, I myself was a victim of a similar recent loss of computer tapes by Bank of America.

In both of these cases, Citigroup and Bank of America acted responsibly and
means the last name of an individual in combination with any 1 or more of the following data 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.
(C) Account number, credit or debit card number, personal identification number, any required security code, access code, or password that would permit access to the financial account of an individual.

(b) Notification to customers relating to unauthorized access of personal financial information.—

(1) Financial institution requirement.—In any case in which there has been a breach of personal financial information at a financial institution, or such a breach is reasonably believed to have occurred, the financial institution shall promptly notify—

(A) each customer affected by the violation or suspected violation;
(B) each consumer reporting agency described in section 606(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a); and
(C) appropriate law enforcement agencies, in any case in which the financial institution has reason to believe that the breach or suspected breach affects a large number of customers, including as described in subsection (e)(1)(C), subject to regulations of the Federal Trade Commission.

(2) Other entities.—For purposes of paragraph (1), any person that maintains personal financial information on behalf of a financial institution shall promptly notify the financial institution of any case in which such customer information has been, or is reasonably believed to have been, breached.

(c) Timeliness of notification.—Notification required by this section shall be made—

(1) promptly and without unreasonable delay, upon discovery of the breach or suspected breach; and
(2) consistent with—

(A) the legitimate needs of law enforcement, as provided in subsection (d); and
(B) any measures necessary to determine the scope of the breach or restore the reasonableness of the integrity of the information security system of the financial institution.

(d) Delay of law enforcement purposes.—Notification required by this section may be delayed if a law enforcement agency determines that the notification would impede a criminal investigation, and in any such case, notification shall be made promptly after the law enforcement agency determines that it would not compromise the investigation.

(e) Form of notice.—Notification required by this section may be provided—

(1) to a customer—

(A) in written notification;
(B) in electronic form, if the notice provided is consistent with the provisions regarding electronic notices set forth in section 101 of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001);
(C) if the Federal Trade Commission determines that the number of all customers affected by, or the cost of providing notifications relating to, a single breach or suspected breach, in combination with any of these forms of notification prohibitive, or in any case in which the financial institution certifies in writing to the Federal Trade Commission that it does not have sufficient personnel, or contact information to comply with other forms of notification, in the form of—

(i) an e-mail notice, if the financial institution determines that the process for the affected customer that it has reason to believe is accurate;
(ii) a conspicuous posting on the Internet website of the financial institution, if the financial institution maintains such a website; or
(iii) notification through the media that a breach of personal financial information has occurred or is suspected that compromises the security, confidentiality, or integrity of customer information of the financial institution; or
(D) in such other form as the Federal Trade Commission may by rule prescribe; and
(2) to consumer reporting agencies and law enforcement agencies (where appropriate), in such form as the Federal Trade Commission may prescribe, in the form of—

(A) credit reporting agencies have been notified of the relevant breach or suspected breach; and
(B) the credit report and file of the customer will contain a fraud alert to make creditors aware of the breach or suspected breach, and to inform creditors that the exclusion or suspension of the financial institution is required for any new issuance or extension of credit (in accordance with section 605(g) of the Fair Credit Reporting Act); and
(C) such other information as the Federal Trade Commission determines is appropriate.

(f) Compliance.—Notwithstanding subsection (e), a financial institution shall be deemed to be in compliance with this section if—

(1) the financial institution has established a comprehensive information security program that is consistent with the standards prescribed by the appropriate regulatory body under section 501(b); and
(2) the financial institution notifies affected customers and consumer reporting agencies in accordance with its own internal information security policies in the event of a breach or suspected breach of personal financial information; and
(3) such internal security policies incorporate notification procedures that are consistent with the requirements and the rules of the Federal Trade Commission under this section.

(g) Civil Penalties.—

(1) In general.—Compliance with this section (except as specifically provided in this section) shall be deemed to be a violation of this section, and any customer injured by a violation of this section may institute a civil action to recover damages arising from that violation.

(2) Limitation.—Except as specifically provided in this section, no provision of this section is intended to be construed to be a violation of any provision of subsection (A), or any other provision of Federal or State law prohibiting the disclosure of financial information to third parties.

(h) Enforcement.—The Federal Trade Commission is authorized to enforce compliance with this section, including the assessment of fines for violations of subsection (b).
SEC. 3. EFFECTIVE DATE.
This Act shall take effect on the expiration of the date which is 6 months after the date of enactment of this Act.

By Mr. BINGAMAN (for himself, Mr. DEWINE, Mr. CORZINE, Mr. DURBIN, Mr. SCHUMER, Mr. JOHNSON, Ms. CANTWELL, Mr. LAXALT, Mr. LAUTENBERG, Mr. KENNEDY, Mrs. CLINTON, Mr. KERRY, Ms. MIKULSKI, Mr. AKAKA, Mr. SALAZAR, and Mr. SARBANES):

S. 1219 will recommend title II of the Social Security Act to phase out the 24-month waiting period for disabled individuals to become eligible for medicare benefits, to eliminate the waiting period for individuals with life-threatening conditions, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I rise today to introduce bipartisan legislation entitled “Ending the Medicare Disability Waiting Period Act of 2005” with Senators DEWINE, CORZINE, DURBIN, SCHUMER, JOHNSON, CANTWELL, LAUTENBERG, STABENOW, KENNEDY, CLINTON, KERRY, MIKULSKI, AKAKA, SALAZAR, and SARBANES. This legislation would phase-out the current 2-year Social Security Act to phase out the current 2-year waiting period that people with disabilities must endure after qualifying for Social Security Disability Insurance (SSDI). In the interim or as the waiting period is being phased out, the bill would also create a process by which the Secretary can immediately waive the waiting period for people with life-threatening illnesses.

When Medicare was expanded in 1972 to include people with significant disabilities, lawmakers created the 24-month waiting period. According to a July 2003 report from the Commonwealth Fund, it is estimated that over 1.2 million SSDI beneficiaries are in the Medicare waiting period at any given time, “all of whom are unable to work, all of whom have disabilities, and most of whom have serious health problems, low incomes, and limited access to health insurance.”

The stated reason at the time was to limit the fiscal cost of the provision. However, I would assert that there is no reason, be it fiscal or moral, to tell people that they must wait longer than 2 years after becoming severely disabled before we provide them access to much needed health care.

It is important to note that there really are actually three waiting periods that are imposed upon people seeking to qualify for SSDI. First, there is the disability determination process through the Social Security Administration, which often takes many months or even longer than a year in some cases. Second, once a worker has been certified as having a severe or permanent disability, they must wait an additional 5 months before receiving their first SSDI check. And then receiving that first SSDI check, there is the 2-year period that people must wait before their Medicare coverage begins.

What happens to the health and well-being of people waiting more than 2½ years before they finally receive critically needed Medicare coverage? According to Karen Davis, president of the Commonwealth Fund, which has conducted 2 important studies on this issue, “Individuals in the waiting period for Medicare suffer from a broad range of debilitating diseases and are in urgent need of appropriate medical care to manage their conditions. Eliminating the 24-month wait can enable access to care for those already on the way to Medicare.”

Again, we are talking about individuals that have been determined to be unable to engage in any “substantial gainful activity” because of either a physical or mental impairment that is expected to result in death or to continue for at least 12 months. These are people that, by definition, are in more need of health care than anybody else in our society. Of the 1.2 million people stuck in the 2-year waiting period at any given time, it is estimated that one-third, or 400,000, are left completely uninsured. The consequences are unacceptable and are, in fact, dire.

In fact, various studies show that death rates among SSDI recipients are highest during the first 2 years of enrollment while waiting to be covered by Medicare. By Medicare, the Commonwealth Fund report, entitled “Elimination of Medicare’s Waiting Period for Seriously Disabled Adults: Impact on Coverage and Costs,” 4 percent of these people die during the waiting period. In other words, it is estimated that of the estimated 400,000 uninsured disabled Americans in the waiting period at any given time, 16,000 of them will die awaiting Medicare coverage. Let me repeat . . . 16,000 of the 400,000 uninsured disabled Americans in the waiting period at any given moment will die while waiting for Medicare coverage to begin.

Moreover, this does not factor in the serious psychological effects that others experience while waiting for Medicare coverage during the 2-year period. Although there is no direct data on the profile of SSDI beneficiaries in the 2-year waiting period, the Commonwealth Fund has undertaken a separate analysis of the Medicare Current Beneficiary Survey for 1998 to get a good sense of the demographic characteristics, income, and health conditions of this group.

According to the analysis, “. . . 45 percent of nonelderly Medicare beneficiaries with disabilities had incomes below the Federal poverty line, and 77 percent had incomes below 200 percent of poverty. Fifteen-nine percent reported that their health; of this group, more than 90 percent reported that they suffered from one or more chronic illnesses, including arthritis (52 percent), hypertension (46 percent), mental disorder (36 percent), heart condition (32 percent), chronic lung disease (26 percent), cancer (20 percent), diabetes (19 percent), and stroke (12 percent).”

To ascertain the impact the waiting period has on the lives of these citizens, the Commonwealth Fund and the Christopher Reeve Paralysis Foundation conducted a follow-up to “gain insight into the experiences of people with disabilities under age 65 in the Medicare Two-Year Waiting Period.” According to that second report entitled “Waiting for Medicare: Experiences of Uninsured People with Disabilities in the Two-Year Waiting Period for Medicare,” in October 2004, “Most of these individuals must invariably rely on some combination of living one day at a time, assertiveness, faith, and sheer luck.”

One person in the waiting period with a spinal cord injury from Atlanta, Georgia, seeking medical treatment for their condition was told to simply “try not to get sick for 2 years.” As the individual said in response, “None of us TRIED to become disabled.”

The people that we have spoken to in the waiting period, since the introduction of this legislation last year, talk about foregoing critically needed medical treatment, stopping medications and therapy, feeling dismayed and depressed about their lives and future, and feeling a loss of control over their lives and independence while in the waiting period.

These testimonials and appeals in support of this legislation are often emotional and intense. Some describe the waiting period as a “living nightmare” and appropriately ask how it is possible that their government is doing this to them.

In fact, some have had the unfortunate fate of having received SSDI and Medicaid coverage, applied for SSDI, and then lost their Medicaid coverage because they were not aware that the change in income, when they received SSDI, would push them over the financial limits for Medicaid. In such a case, after the disability application is approved, the government is effectively taking their health care coverage away because they are so severely disabled.

Therefore, for some in the waiting period, their battle is often as much with the government as it is with their medical condition, disease, or disability.

Nobody could possible think this makes any sense.

House Ways and Means Chairman THOMAS has questioned the rationale of the waiting period in a press conference on April 29, 2005.

As the Medicare Rights Center has said, “By forcing Americans with disabilities to wait 24 months for Medicare coverage, the current law effectively sentences these people to inadequate health care, poverty, or death . . . Since disability can strike anyone, at any point in life, the 24-month waiting period should be of concern to everyone, not just the millions of Americans with disabilities.”
to note that there will be some corresponding decrease in Medicaid costs. Medicaid, which is financed by both Federal and State governments, often provides coverage for a subset of disabled Americans in the waiting period, as long as they meet certain income and asset limits. Income limits are typically at or below the poverty level, including at just 74 percent of the poverty line in New Mexico, with assets generally limited to just $2,000 for individuals and $3,000 for couples.

The Commonwealth Fund estimates that, of the 1.26 million people in the waiting period, 40 percent are enrolled in Medicaid. As a result, the Commonwealth Fund estimates in the study that Federal Medicaid savings would offset nearly 30 percent of the increased costs. Furthermore, States, which have been struggling financially with their Medicaid programs, would reap a windfall that would help them better manage their Medicaid programs.

Furthermore, from a continuity of care point of view, it makes little sense that somebody with disabilities must leave their job and their health providers associated with that plan, move on, and often have a different set of providers, to then switch to Medicare and yet another set of providers. The cost, both financial and personal, of not providing access to care or poorly coordinated care services can be very ill ill people during the waiting period may be greater in many cases than providing health coverage.

And finally, private-sector employers and employees in those risk-pools would also benefit from the passage of the bill. As the 2003 report notes, "... to the extent that disabled adults rely on coverage through their prior employer or their spouse's employer, eliminating the waiting period would also face substantial employers who provide this coverage."

To address concerns about costs and immediate impact on the Medicare program, the legislation phases out the waiting period over a 10-year period. In the interim, the legislation would create a process by which others with life-threatening illnesses could also get an exception to the waiting period. Congress has previously extended such an exception to the waiting period for individuals with amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig's disease, and for hospice services. The ALS exception passed the Congress in December 2000 and went into effect July 1, 2001. Thus, the legislation would extend the exception to all people with life-threatening illnesses in the waiting period.

I would like to thank Senator DeWine and the other original cosponsors, including Senators Corzine, Durbin, Schumer, Johnson, Cantwell, Lautenberg, Stark, Kennedy, Clinton, Kerry, Mikulski, Akaka, Salazar, and Sannanes, for supporting this critically important legislation. Furthermore, I would like to commend Representative Gene Green of Texas for his introduction of the companion bill in the House of Representatives and for his work, diligence, and commitment to this issue.

I urge passage of this legislation and ask unanimous consent that a fact sheet, which includes a list of original supporting organizations for the legislation, and the text of the bill be printed in the RECORD. There being no objection, the materials were ordered to be printed in the RECORD as follows:

FACT SHEET
ENDING THE MEDICARE DISABILITY WAITING PERIOD ACT OF 2005

Senators Jeff Bingaman (D–NM) and Mike DeWine (R–OH) are preparing to introduce the ‘‘Medicare Disability Waiting Period Act of 2005.’’ The bill would, over 10 years, completely phase-out the two-year waiting period which Americans with disabilities must endure before receiving Medicare coverage.

The legislation also creates a process by which the Secretary can immediately waive the waiting period for people with life-threatening illnesses. When Medicare, expanded in 1972 to include people who have significant disabilities, lawmakers created a ‘‘Medicare waiting period.’’ Before they can get Medicare coverage, people with disabilities must first receive Social Security Disability Insurance (SSDI) for 24 months. Generally, SSDI begins five months after an individual’s disability has been certified. As a result, people with disabilities face three consecutive waiting periods prior to getting health coverage: (1) a determination of SSDI approval from the Social Security Administration; (2) a five-month waiting period to receive SSDI; and, (3) another 24-month waiting period to get Medicare coverage.

Because of the 24-month Medicare waiting period, an estimated 400,000 Americans with disabilities are uninsured and many more are underinsured. In their lives were the need for health care coverage is most dire, Dale and Verdier, The Commonwealth Fund, July 2003. In fact, various studies show that Social Security Disability (SSDI) recipients are highest during the first two years of enrollment, Mauney, AMA, June 2002. For example, according to the Commonwealth Fund, 4 percent of these people die during the waiting period.

There is an important exception to the 24-month waiting period and that is for individuals with amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig’s disease, and for hospice services. The ALS exception passed the Congress in December 2000 and went into effect July 1, 2001. ‘‘Ending the Medicare Waiting Period Act of 2005’’ would, over 10 years, phase-out the waiting period and would also, in the interim, create a process by which others with life-threatening illnesses, like ALS, could also get an exception to the waiting period.

As the Medicare Rights Center has said, ‘‘By forcing Americans with disabilities to wait 24 months for Medicare coverage, the current law effectively sentences these people to inadequate health care, poverty and death. . . . Since disability can strike anyone, at any point in life, the 24-month waiting period should be of concern to everyone, not just the millions of Americans with disabilities today.’’

If you have any questions or need additional information, please contact Bruce Lesley in Senator Bingaman’s office at 224–5521 or Abby Kral in Senator DeWine’s office at 224–7900.
SEC. 2. PHASE-OUT OF WAITING PERIOD FOR MEDICARE DISABILITY BENEFITS.

(a) IN GENERAL.—Section 226(b) of the Social Security Act (42 U.S.C. 426(b)) is amended—

(1) in paragraph (2)(A), by striking ‘‘,” and has for 24 calendar months been entitled to, ‘‘ and inserting ‘‘,” and has for the waiting period (as defined in subsection (k)) has been entitled to,’’;

(2) in paragraph (2)(B), by striking ‘‘,” and has been for not less than 24 months,” and inserting ‘‘,” including the requirement that he has been entitled to benefits for 24 months,” and inserting ‘‘, including the requirement that the individual has been entitled to the specified benefits for the waiting period (as defined in subsection (k)),’’;

(3) in paragraph (2)(C)(ii), by striking ‘‘, including the requirement that he has been entitled to benefits for 24 months,” and inserting ‘‘, including the requirement that the individual has been entitled to the specified benefits for the waiting period (as defined in subsection (k)),’’;

(4) in the flush following paragraph (2)(C)(i)(II)—

(A) in the first sentence, by striking ‘‘for each calendar month beginning after the waiting period (as defined in subsection (k)) has been entitled to,’’;

(B) in the second sentence, by striking ‘‘but not not less than 24 months,” and inserting ‘‘the twenty-fifth month of his entitlement status or as a qualified railroad retirement beneficiary described in paragraph (2)(A) and inserting ‘‘for each month beginning after the waiting period (as so defined) for which the individual satisfies paragraph (2)’’;

and

(C) in the third sentence, by striking ‘‘, but not not less than 24 months,” and inserting ‘‘, but not for less than 24 months,”

(b) SCHEDULE FOR PHASE-OUT OF WAITING PERIOD.—Section 226 of the Social Security Act (42 U.S.C. 426) is amended by adding at the end the following new subsection:

‘‘(k) For purposes of subsection (b) (and for purposes of section 1395g(a) of this Act and section 226(c)(ii) of the Railroad Retirement Act of 1974), the term ‘waiting period’ means—

‘‘(1) for 2006, 18 months;

‘‘(2) for 2007, 16 months;

‘‘(3) for 2008, 14 months;

‘‘(4) for 2009, 12 months;

‘‘(5) for 2010, 10 months;

‘‘(6) for 2011, 8 months;

‘‘(7) for 2012, 6 months;

‘‘(8) for 2013, 4 months;

‘‘(9) for 2014, 2 months; and

‘‘(10) for 2015 and each subsequent year, 0 months.’’

(c) CONFORMING AMENDMENTS.—

(1) SUNSET.—Effective January 1, 2015, subsection (f) of section 226 of the Social Security Act (42 U.S.C. 426) is repealed.

(2) MEDICARE DESCRIPTION.—Section 1811(2) of such Act (42 U.S.C. 1395g(2)) is amended by striking ‘‘(for not less than 24 months’’ and inserting ‘‘entitled for the waiting period (as defined in section 226(k))’’.

SEC. 3. ELIMINATION OF WAITING PERIOD FOR INDIVIDUALS WITH LIFE-THREATENING CONDITIONS.

(a) IN GENERAL.—Section 226(b) of the Social Security Act (42 U.S.C. 426(b)) is amended by—

(1) redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) in the matter preceding subparagraph (A), by striking ‘‘, and inserting ‘‘, or any other life-threatening condition identified by the Secretary’’;

(3) in paragraph (1) (as designated by paragraph (1))—

(A) in the matter preceding subparagraph (A) (as redesignated by paragraph (1)), by striking ‘‘any or any other life-threatening condition identified by the Secretary’’;

(b) EFFECTIVE DATE.—The amendments made by this subsection shall apply to insurance benefits under title XVIII of the Social Security Act with respect to items and services furnished in months beginning at least 90 days after the date of the enactment of this Act (but in no case earlier than January 1, 2006).

SEC. 4. INSTITUTE OF MEDICINE STUDY AND REPORT ON DELAY AND PREVENTION OF DISABILITY CONDITIONS.

(a) STUDY.—The Secretary of Health and Human Services (in this section referred to as the ‘‘Secretary’’) shall request that the Institute of Medicine of the National Academy of Sciences conduct a study on the range of disability conditions that can be delayed or prevented if individuals receive access to health care services and coverage before the condition reaches disability levels.

(b) REPORT.—Not later than the date that is 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report containing the results of the Institute of Medicine study authorized under this section.
increasing over the next decade, additional highly qualified teachers are needed to meet the growing demand.

Many schools face a teacher crisis, particularly in our poorest communities. Currently, there are approximately a million public school teachers across the country. Two million new, qualified teachers will be needed in the next 10 years to serve the growing student population. Yet we are not even retaining the teachers we have today. A third of all teachers leave during their first 3 years, and almost half leave during the first 5 years.

Too often, teachers also lack the training and support needed to do well in the classroom. They are paid on average almost $8,000 less than graduates in other fields, and the gap widens to more than $23,000 after 15 years of teaching. Thirty-seven percent of teachers cite low salaries as a main factor for leaving the classroom before retirement.

The TEACH Act will do more to recruit and retain highly qualified teachers—particularly in schools and subjects where they are needed the most. The bill provides financial incentives to encourage talented persons to enter and stay in the profession and it offers higher salaries, tax breaks, and greater loan forgiveness.

To attract motivated and talented individuals to teaching, the bill provides up-front tuition assistance—$4,000 paid to high-performing undergraduate students who agree to commit to teach for 4 years in high-need areas and in subjects such as math, science, and special education.

One of our greatest challenges in school reform today is to equalize the playing field, so that the neediest students have access to the best teachers to help them succeed. Research shows that good teachers are the single most important factor in the success of children and academically and developmentally. Children with good instruction can reach new heights through the hard work, vision, and energy of their teachers. Good teaching helps overcome the harmful effects of poverty and other disadvantages on student learning.

Unfortunately, we still have a long way to go. In high-poverty schools, teacher turnover is 33 percent higher than in other schools. In the poorest middle schools and high schools, students are 77 percent more likely to be assigned an out-of-field teacher. Almost a third of all classes are taught by teachers with no background in the subject—no major degree, no minor degree, no certification.

Despite these efforts, this problem is worsening. In most academic subjects, the percentage of secondary school teachers “out-of-field”—those teaching a class in which they do not have a major, a minor, or a certification—increased from 1993 to 2000. Clearly, we must do a better job of attracting better teachers to the neediest classrooms and do more to reward their efforts so that they stay in the classroom.

Because schools compete for the best teachers, the bill provides funding to school districts to reward teachers who transfer to schools with the greatest challenges and who provides incentives for teachers working in math, science, and special education.

The TEACH Act also establishes a framework to develop and use the systems needed at the State and local levels to maintain teacher effectiveness and recognize exceptional teaching in the classroom. States will develop data systems to track student progress and relate it to the level of instruction provided in the classroom.

The bill also encourages the development of model teacher advancement programs with competitive compensation structures that recognize and reward different roles, responsibilities, knowledge, skills and positive results.

Too often, teachers lack the training they need before reaching the classroom. On the job, they have few sources of support to meet the challenges they face in the classroom, and few opportunities for ongoing professional development to expand their skills. The bill addresses the needs of teachers in their first years in the classroom by creating new and innovative teacher induction models that use proven strategies to support beginning teachers. New teachers will have access to mentorship opportunities for collaborative planning with their peers, and a special transition year to ease into the pressures of entering the classroom. Veteran teachers will have an opportunity to improve their skills through peer mentoring and review. Other support includes professional development delivered through teaching centers to improve training and working conditions for teachers.

Since good leadership is also essential for success, the bill provides important incentives and support for principals by raising standards and improving recruitment and training for them as well.

This legislation was developed with the help of a broad and diverse group of educational professionals and experts, including the Alliance for Excellent Education, the American Federation of Teachers, the Business Roundtable, the Center for American Progress Action Fund, the Children’s Defense Fund, the Education Trust, the National Council on Teacher Quality, the National Council of La Raza, the National Education Association, New Leaders for New Schools, the New Teacher Center, Operation Public Education, the Teacher Advancement Fund, Teach for America and the Teaching Commission. I thank them for their help and their work on behalf of our Nation’s children.

As Shirley Mount Hufstedler, the first United States Secretary of Education, has said:

The role of the teacher remains the highest calling of a free people. To the teacher, America entrusts her most precious resource, her children; and asks that they be prepared, in all their glorious diversity, to face the rigors of individual participation in a democratic society.

We must do all in our power to help them in this endeavor.

I urge my colleagues to join in supporting this bill and 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. 1218

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 “Teacher Excellence for All Children 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. Findings.

TITLE I—RECRUITING TALENTED NEW TEACHERS

Sec. 102. Extending and expanding teacher loan forgiveness.

TITLE II—CLOSED-RING THE TEACHER DISTRIBUTION GAP

Sec. 201. Grants to local educational agencies to provide premium pay to teachers in high-need schools.

TITLE III—IMPROVING TEACHER PREPARATION

Sec. 301. Amendment to Elementary and Secondary Education Act of 1965.
Sec. 303. Ensuring NCLB’s teacher equity provision.

TITLE IV—EQUIPPING TEACHERS, SCHOOLS, LOCAL EDUCATIONAL AGENCIES, AND STATES WITH THE 21ST CENTURY DATA TOOLS, AND ASSESSMENTS THEY NEED

Sec. 401. 21st Century Data, Tools, and Assessments.
Sec. 402. Collecting national data on distribution of teachers.

TITLE V—RETENTION: KEEPING OUR BEST TEACHERS IN THE CLASSROOM

Sec. 502. Exclusion from gross income of compensation of teachers and principals in certain high-need schools or teaching high-need subjects.
Sec. 503. Above-the-line deduction for certain expenses of elementary and secondary school teachers increased and made permanent.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Conforming amendments.

SEC. 1. SHORT TITLE.

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Sec. 301. Amendment to Elementary and Secondary Education Act of 1965.
Sec. 303. Ensuring NCLB’s teacher equity provision.

TITLE IV—EQUIPPING TEACHERS, SCHOOLS, LOCAL EDUCATIONAL AGENCIES, AND STATES WITH THE 21ST CENTURY DATA TOOLS, AND ASSESSMENTS THEY NEED

Sec. 401. 21st Century Data, Tools, and Assessments.
Sec. 402. Collecting national data on distribution of teachers.

TITLE V—RETENTION: KEEPING OUR BEST TEACHERS IN THE CLASSROOM

Sec. 502. Exclusion from gross income of compensation of teachers and principals in certain high-need schools or teaching high-need subjects.
Sec. 503. Above-the-line deduction for certain expenses of elementary and secondary school teachers increased and made permanent.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Conforming amendments.
(3) More than one-third of children in grades 7–12 are taught by a teacher who lacks both a college major and certification in the subject being taught. Rates of “out-of-field” certification of such are especially high in high-poverty schools.

(4) Seventy percent of mathematics classes in high-poverty middle schools are assigned to teachers without even a minor in mathematics or a related field.

(5) Teacher turnover is a serious problem, particularly in urban and rural areas. Over one-third of all teachers leave the profession within their first 3 years of teaching, and 14 percent of new teachers leave the field within 5 years. After 5 years, it is estimated that 80 percent of teachers have left the profession. Rates of teacher attrition are highest in high-poverty schools. Between 2000 and 2001, 1 out of 5 teachers in the Nation’s high-poverty schools either left to teach in another school or dropped out of teaching altogether.

(6) Fourth graders who are poor have much higher test scores than their counterparts who are not poor. Only 16 percent of fourth graders who are poor fail to score average or better on tests. They are much less likely to receive a passing grade than their non-poor counterparts. In grades 3 through 8, it is estimated that one-third of all students taught by less effective teachers.

(7) African-American, Latino, and low-income students are much less likely than other students to have highly-qualified teachers.

(8) Research shows that individual teachers have a great impact on how well their students learn. The most effective teachers have been shown to be able to boost their pupils’ learning by a full grade level relative to students taught by less effective teachers.

(9) Although nearly half (42 percent) of all teachers hold a master’s degree, fewer than 1 in 4 secondary teachers have a master’s degree in the subject they teach.

(10) Young people with high SAT and ACT scores are twice as likely to leave teaching as a career. Those who have higher SAT or ACT scores are twice as likely to become highly qualified teachers.

(11) Only 16 States finance new teacher induction programs, and fewer still require inductees to be matched with mentors who teach the same subject.

TITLE I—RECRUITING TALENTED NEW TEACHERS

SEC. 101. AMENDMENTS TO HIGHER EDUCATION ACT OF 1965

(a) TEACH GRANTS.—Title II of the Higher Education Act of 1965 (20 U.S.C. 1221 et seq.) is amended by adding at the end the following new part:

PART C—TEACH GRANTS

SEC. 231. PURPOSES.

The purposes of this part are—

(1) to improve student academic achievement;

(2) to help recruit and prepare teachers to meet the national demand for a highly qualified teaching force; and

(3) to increase opportunities for Americans of all educational, ethnic, class, and geographic backgrounds to become highly qualified teachers.

SEC. 232. PROGRAM ESTABLISHED.

(a) PROGRAM AUTHORITY.—

(1) PAYMENTS REQUIRED.—For each of the fiscal years 2005 through 2013, the Secretary shall pay to each eligible institution such sums as may be necessary to pay to each eligible student (defined in accordance with section 233) an amount for each academic year during which the student is in attendance at an institution of higher education.

(2) REFERENCE.—Grants made under this part shall be known as ‘‘Teacher Education Assistance for College and Higher Education Grants’’ or ‘‘TEACH Grants’’.

(b) PAYMENTS;

(1) PREPAYMENT.—Not less than 85 percent of such sums shall be advanced to eligible institutions prior to the start of each payment period. The Secretary shall upon an amount requested by the institution as needed to pay eligible students until such time as the Secretary determines and publishes in the Federal Register a remittance for the amount determined necessary to enable the Secretary to place an institution on a reimbursement system of payment.

(2) DIRECT PAYMENT.—Nothing in this section shall be interpreted to prohibit the Secretary from paying directly to students, in advance of the beginning of the academic term, an amount for which they are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1).

(3) DISTRIBUTION TO STUDENTS.—Payments under this part shall be made, in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purposes of this part. Any disbursement allowed to be made by crediting the student’s account shall be limited to tuition and fees and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student’s account.

(c) REDUCTIONS IN AMOUNT.

(1) PART TIME STUDENTS.—In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of the TEACH Grant to which that student is eligible shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis, in accordance with reductions established by the Secretary for the purposes of this part, computed in accordance with this part. Such schedule of reductions shall be established by the Secretary and published in the Federal Register in accordance with section 482 of this Act.

(2) NO EXCEEDING CREDIT.—No TEACH Grant for a student may exceed the cost of attendance (as defined in section 472) at the institution at which such student is in attendance. If, with respect to any student, it is determined that the amount of a TEACH Grant exceeds the cost of attendance for that year, the amount of the TEACH Grant shall be reduced until the TEACH Grant does not exceed the cost of attendance at such institution.

(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

(1) UNDERGRADUATE STUDENTS.—The period during which an undergraduate student may receive TEACH Grants shall be the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is in attendance, except that—

(A) any period during which the student is enrolled in a remedial course of study, subject to paragraph (3), shall not be counted for the purpose of this paragraph; and

(B) the total amount that a student may receive under this part for undergraduate study shall not exceed $16,000.

(2) GRADUATE STUDENTS.—The period during which a graduate student may receive TEACH Grants shall be the period required for the completion of a master’s degree covered by study being pursued by the student at the institution at which the student is in attendance, except that the total amount that a student may receive under this part for graduate study shall not exceed $8,000.

(3) REMEDIAL COURSE; STUDY ABROAD.—Nothing in this section shall exclude from coverage of courses of study that are non-credit or remedial in nature (including courses in English language acquisition) that are necessary to enable the student to be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses of study in English language instruction, to be necessary to enable the student to utilize already existing knowledge, training, or skills. Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.

SEC. 233. ELIGIBILITY AND APPLICATION FOR GRANTS.

(a) APPLICATIONS; DEMONSTRATION OF ELIGIBILITY.—

(1) FILING REQUIRED.—The Secretary shall from time to time set dates by which students shall file applications for TEACH Grants under this part. Each student desiring a TEACH Grant shall file an application therefore containing such information and assurances as the Secretary may deem necessary to enable the Secretary to carry out the functions and responsibilities of this part.

(2) DEMONSTRATION OF ELIGIBILITY.—Each such application shall contain such information as is necessary to demonstrate that—

(A) if the applicant is an enrolled student—

(i) the student is an eligible student for purposes of section 484 (other than subsection (r) of such section);

(ii) the student—

(I) has a grade point average that is determined, under standards prescribed by the Secretary, to be comparable to a 3.25 average on a zero to 4.0 scale, except that, if the student is in the first year of a program of undergraduate education, such grade point average shall be determined on the basis of the student’s cumulative high school grade point average; or

(II) displayed high academic aptitude by receiving a score above the 75th percentile on at least one of the batteries in an undergraduate or graduate school admissions test; and

(iii) the student is completing coursework and other requirements necessary to begin a career in teaching, or plans to complete such coursework and requirements prior to graduating; or

(B) if the applicant is a current or prospective teacher applying for a grant to obtain a graduate degree—

(i) the applicant is a teacher or a retiree from another occupation with expertise in a field in which there is a shortage of teachers, such as mathematics, science, special education, English language acquisition, or another high-need subject; or

(ii) the applicant is or was a teacher who is using high-quality alternative certification routes, such as Teach for America, to get certified.

(b) AGREEMENTS TO SERVE.—Each application under subsection (a) shall contain or be accompanied by an agreement by the applicant that—

(A) the applicant will—

(i) serve as a full-time teacher for a total of not less than 4 years within 8
years after completing the course of study for which the applicant received a TEACH Grant under this part;

"(b) teach—

"(1) at a school described in section 423(a)(2); and

"(ii) in any of the following fields: mathematics, science, a foreign language, bilingual education, or special education; or as a reading specialist, or another field documented as high-need by the Federal Government, State government, or local education agency and submitted to the Secretary; and

"(C) submit evidence of such employment in the form of a certification by the chief administrative officer of the school upon completion of the service associated with such service; and

"(D) comply with the requirements for being a highly qualified teacher as defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

"(2) in the event that the applicant is determined to have failed or refused to carry out such service obligation, the sum of the amounts of such Teach Grants will be treated as a loan and collected from the applicant in accordance with subsection (c) and the regulations thereunder.

"(e) EXCEPTED FAILURES TO COMPLETE SERVICE.—In the event that any recipient of a TEACH Grant fails or refuses to comply with such service obligation in the agreement under subsection (b), the sum of the amounts of such Grants provided to such recipient shall be treated as a Direct Loan under part D of title IV, and shall be subject to repayment in accordance with terms and conditions specified by the Secretary in regulations promulgated to carry out this part.

"(b) RECRUITING TEACHERS WITH MATHEMATICS, SCIENCE, OR LANGUAGE MAJORS.—Title II of the Higher Education Act of 1965 (20 U.S.C. 1087-1087l) is amended by adding after subsection (a), is further amended by adding at the end the following:

"PART D—RECRUITING TEACHERS WITH MATHEMATICS, SCIENCE, OR LANGUAGE MAJORS

"SEC. 241. PROGRAM AUTHORIZED.

"(a) GRANTS AUTHORIZED.—From the amounts appropriated under section 242, the Secretary shall make competitive grants to institutions of higher education to improve the availability and recruitment of teachers from among students majoring in mathematics, science, foreign languages, special education, or teaching the English language to students with limited English proficiency, and to prepare students to teach in high-need schools.

"(b) APPLICATION.—Any institution of higher education desiring to obtain a grant under this subsection shall submit to the Secretary an application at such time, in such form, and containing such information and assurances as the Secretary may require, which shall—

"(1) include reporting on baseline production of teachers with expertise in mathematics, science, a foreign language, or teaching English language learners; and

"(2) establish a goal and timeline for increasing the number of such teachers who are preparing for teaching in high-need schools.

"(c) USE OF FUNDS.—Funds made available by a grant under this part—

"(1) shall be used to create new recruitment initiatives reaching from other majors, with an emphasis on high-need subjects such as mathematics, science, foreign languages, and teaching the English language to students with limited English proficiency, and

"(2) may be used to upgrade curriculum in order to provide all students studying to become teachers with high-quality instructional strategies for teaching reading and teaching the English language to students with limited English proficiency, and for modifying instruction to teach students with special needs;

"(3) may be used to integrate school of education faculty with other arts and sciences faculty in mathematics, science, foreign languages, and teaching the English language to students with limited English proficiency through steps such as—

"(A) dual appointment faculty between schools of education and schools of arts and science; and

"(B) integrating coursework with clinical experiences;

"(4) may be used to develop strategic plans between schools of education and local school districts to better prepare teachers for high-need schools, including the creation of professional development partnerships for training new teachers in state-of-the-art practice.

"SEC. 242. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated under this part $200,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years:—

"(c) PART A AUTHORIZATION.—Section 210 of the Higher Education Act of 1965 (20 U.S.C. 1030) is amended by—

"(1) by striking ''300,000,000 for fiscal year 1999'' and inserting ''$100,000,000 for fiscal year 2006''; and

"(2) by striking ''4 succeeding'' and inserting ''5 succeeding''.

"SEC. 122. EXTENDING AND EXPANDING TEACHER LOAN FORGIVENESS.


"(b) INCREASED AMOUNT; APPLICABILITY OF EXPANDED PROGRAM TO READING SPECIALIST.—Sections 428J(c)(3) and 460(c)(3) of the Higher Education Act of 1965 (20 U.S.C. 1078-1078l(c), 1087(c)(3)) are each amended—

"(1) by striking ''$20,000'' and inserting ''$25,000'';

"(2) by striking ''and'' and inserting ''; and'';

"(3) by striking paragraph (A) and inserting the following new paragraph:

"(A) a teacher who primarily teaches reading and

"(i) has obtained a separate reading instruction credential from the State in which the teacher is employed; and

"(ii) is certified or licensed by the chief administrative officer of the public or nonprofit private elementary school or secondary school in which the borrower is employed to teach reading;

"(D) as being proficient in teaching the essential components of reading instruction, as defined in section 1208 of the Elementary and Secondary Education Act of 1965; and

"(II) as having such credential.''.

"(c) ANNUAL INCREMENTS INSTEAD OF END OF SERVICE LOAN FORGIVENESS.—Section 428J(c) of the Higher Education Act of 1965 (20 U.S.C. 1078-1078l) is amended by—

"(1) by striking ''at the end of the calendar year'' and inserting ''at the end of the academic year'';

"(2) by striking ''and'' and inserting ''; and'';

"(3) by striking paragraph (B) and inserting the following new paragraph:

"(B) includes a way to acknowledge the existence of influences on student growth, such as pull-out programs for support beyond years of such service, 20 percent of such total amount; and

"(C) after the fifth year of such service, 30 percent of such total amount.''

"(4) ANNUAL INCREMENTS.—Notwithstanding paragraph (1), in the case of an individual qualifying for loan cancellation under paragraph (3), the Secretary shall, in lieu of waiting to assume an obligation only upon completion of 5 complete years of service, assume the obligation to repay—

"(A) after each of the first and second years of service by an individual in a position qualifying under paragraph (3), 15 percent of the total amount of principal and interest on the loans described in paragraph (1) to such individual that are outstanding immediately preceding such first year of such service;

"(B) after each of the third and fourth years of such service, 20 percent of such total amount; and

"(C) after the fifth year of such service, 30 percent of such total amount.''

"TITLE II—CLOSING THE TEACHER DISTRIBUTION GAP

"SEC. 201. GRANTS TO LOCAL EDUCATIONAL AGENCIES TO PROVIDE PREMIUM PAY TO TEACHERS IN HIGH-NEED SCHOOLS.

"(a) GRANTS AUTHORIZED.—The Secretary of Education is authorized to make grants to local educational agencies to provide premium pay to teachers in high-need schools.

"(b) ELIGIBLE AGENCIES.—The Secretary shall make grants to local educational agencies described in section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311) that serve not fewer than 10,000 children who are eligible for free or reduced price meals, or less than 20 percent of the children served by the agency are from families with incomes below the poverty line.

"(c) USE OF FUNDS.—Funds made available by a grant under this section—

"(1) shall be used to provide higher compensation to teachers in high-need schools; and

"(2) may be used to—

"(I) provide professional development opportunities for teachers in such schools; and

"(II) provide professional development opportunities for other current or former teachers who have experience teaching in such schools; and

"(III) make payments incidental to the provision of such professional development opportunities, including the costs of travel, housing, or meals for the recipients of such professional development opportunities; and

"(d) INCLUSION OF GRANTS.—In making such grants, the Secretary shall—

"(1) provide that such grants shall be used—

"(A) to recruit new teachers in the high-need subjects described in paragraph (2); and

"(B) after each of the first and second years of service by an individual in a position qualifying under paragraph (3), 15 percent of the total amount of principal and interest on the loans described in paragraph (1) to such individual that are outstanding immediately preceding such first year of such service;

"(2) in the case of an individual qualifying for loan cancellation under paragraph (3), the Secretary shall, in lieu of waiting to assume an obligation only upon completion of 5 complete years of service, assume the obligation to repay—

"(A) after each of the first and second years of service by an individual in a position qualifying under paragraph (3), 15 percent of the total amount of principal and interest on the loans described in paragraph (1) to such individual that are outstanding immediately preceding such first year of such service;

"(B) after each of the third and fourth years of such service, 20 percent of such total amount; and

"(C) after the fifth year of such service, 30 percent of such total amount.''

"SEC. 2500. DEFINITIONS.

"In this part:

"(1) the term 'high-need local educational agency' means a local educational agency—

"(A) that serves not fewer than 10,000 children from families with incomes below the poverty line, or for which less than 20 percent of the children served by the agency are from families with incomes below the poverty line; and

"(B) that is having or expected to have difficulty filling teacher vacancies or hiring new teachers who are highly qualified.

"(2) the term 'value-added longitudinal data system' means a longitudinal data system for determining value-added student achievement gains.

"(3) the term 'value-added student achievement gain' means gains determined by means of a system that—

"(A) is sufficiently sophisticated and validated;

"(i) to deal with the problem of students with incomplete records;

"(ii) to enable estimates to be precise and to use all the data for all students in multiple years, regardless of sparseness, in order to avoid measurement error in test scores (such as by using multivariate, longitudinal analysis); and

"(iii) to protect against inappropriate testing practices or improprieties in test administration;

"(B) includes a way to acknowledge the existence of influences on student growth, such as pull-out programs for support beyond years of such service, 20 percent of such total amount; and

"(C) after the fifth year of such service, 30 percent of such total amount.'
standard delivery of instruction, so that affected teachers do not receive an unfair advantage; and

(C) has the capacity to assign various proportions of instructional growth to new, highly qualified teachers when the classroom reality, such as team teaching and departmentalized instruction, makes such type of instruction an issue.

"Subpart 1—Distribution"

"SEC. 2501. PREMIUM PAY; LOAN REPAYMENT."

(a) GRANTS.—The Secretary shall make grants to local educational agencies to provide higher compensation, to new, highly qualified principals and exemplary, highly qualified teachers with at least 3 years of experience, teachers certified by the National Board for Professional Teaching Standards, if the principal or teacher agrees to serve full-time for a period of 4 consecutive school years at a public high-need elementary school or a public high-need secondary school.

(b) USE OF FUNDS.—A local educational agency that receives a grant under this section may use funds made available through the grant—

(1) to provide to exemplary, highly qualified principals up to $15,000 as an annual bonus for each of 4 consecutive school years if the principal commits to work full-time for such period in a public high-need elementary school or a public high-need secondary school; and

(2) to provide to exemplary, highly qualified teachers—

(A) up to $10,000 as an annual bonus for each of 4 consecutive school years if the teacher commits to work full-time for such period at a public high-need elementary school or a public high-need secondary school; or

(B) up to $12,500 as an annual bonus for each of 4 consecutive school years if the teacher commits to work full-time for such period teaching a subject for which there is a documented shortage of teachers in a public high-need elementary school or a public high-need secondary school.

(c) TIMING OF PAYMENT.—A local educational agency providing an annual bonus to a principal or teacher under subsection (b) shall pay the bonus on completion of the service requirement by the principal or teacher for the applicable year.

(d) GRANT PERIOD AND EVALUATION.—The Secretary shall make grants under this section in yearly installments for a total period of 4 years.

(e) RECORD KEEPING.—Any principal or teacher receiving assistance under this section shall maintain records that include—

(1) a description of what the principal or teacher accomplished as a result of the grant; (2) the names of the students served; and (3) the names of the teachers who participated in the grant.

(f) REPORTS.—At a minimum, the agency that receives a grant under this section, a local educational agency under this section, shall report:

(1) the total amount of funds received under this section for each fiscal year and how those funds were spent;

(2) the total number of principals and teachers who received grants under this section for each fiscal year and the total amount of funds paid to such individuals for each fiscal year;

(3) the total number of students served under this section for each fiscal year and how the funds were used to serve such students;

(4) the total number of teachers and administrators responsible for implementing this section for each fiscal year and how the funds were used to implement this section; and

(g) AUDIT.—The Comptroller General of the United States shall audit compliance with this section.

"SEC. 2502. CARRIAGE LADDER FOR TEACHERS PROGRAM."
local educational agency and is administered to the teacher’s students; or

(ii) in States or local educational agencies with value-added longitudinal data systems, value-added student achievement gains and classroom-level value-added student achievement gains; or

(d) provides up to $4,000 as an annual bonus to a mentor teacher in elementary and secondary schools based on the performance of the school’s students, taking into consideration whole-school value-added student achievement gains in States that have value-added longitudinal data systems and in which information on whole-school value-added student achievement gains is available.

(b) ELIGIBILITY REQUIREMENT.—A local educational agency may not use any funds under this section to establish or implement a Career Ladders for Teachers Program unless—

(1) the percentage of teachers required by prevailing union rules votes affirmatively to adopt the program; or

(2) in States that do not recognize collective bargaining between local educational agencies and teacher organizations, at least 75 percent of the teachers in the local educational agency vote affirmatively to adopt the program.

(c) DEFINITIONS.—In this section—

(1) the term ‘mentor teacher’ means a teacher who has a bachelor’s degree and full credentials or alternative certification including a passing level on any applicable elementary or secondary subject matter assessments and professional knowledge assessments.

(2) The term ‘mentor teacher’ means a teacher who—

(A) holds a master’s degree and full credentials or alternative certification including a passing level on any applicable elementary or secondary subject matter assessments and professional knowledge assessments.

(B) has a portfolio and a classroom demonstration showing instructional excellence;

(C) has an ability, as demonstrated by student data, to increase student achievement through utilizing specific instructional strategies;

(D) has a minimum of 3 years of teaching experience;

(E) is recommended by the principal and other current master and mentor teachers;

(F) is selected by the mentor teacher and communicator with an understanding of how to facilitate growth in the teachers the teacher is mentoring; and

(G) performs as well as a mentor in established induction and peer review and mentoring programs.

(3) The term ‘master teacher’ means a teacher who—

(A) holds a master’s degree in the relevant academic discipline;

(B) has at least 5 years of successful teaching experience, as measured by performance evaluations, a portfolio of work, or National Board for Professional Teaching Standards certification;

(C) demonstrates expertise in content, curriculum development, student learning, test analysis, mentoring, and professional development, as demonstrated by an advanced degree, advanced training, career experience, or National Board for Professional Teaching Standards certification;

(D) presents student data that illustrates the teacher’s commitment to increase student achievement through utilizing specific instructional interventions;

(E) has instructional expertise demonstrated in classroom teaching, professional development, model teaching, video presentations, student achievement gains, or National Board for Professional Teaching Standards certification;

(F) may hold a valid National Board for Professional Teaching Standards certificate, may have been selected as a school, district, or State teacher of the year; and

(G) is currently participating, or has previously participated, in an alternative development program that supports classroom teachers as mentors.

(4) The term ‘high-need’, with respect to an elementary or secondary school or a local educational agency, has the meaning given to that term in section 2501.

(d) AUTHORIZATION OF APPROPRIATIONS.—

To carry out this section, there is authorized to be appropriated $200,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.

TITLE II—IMPROVING TEACHER PREPARATION

SEC. 301. AMENDMENT TO ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

Part E of title II of the Elementary and Secondary Education Act of 1965, as added by title II of this Act, is amended by adding at the end the following:

Subtitle 2—Preparation

Sec. 2511. ESTABLISHING STATE-OF-THE-ART TEACHER INDUCTION PROGRAMS.

(a) GRANTS.—The Secretary may make grants to educational agencies for the purpose of developing state-of-the-art teacher induction programs.

(b) USE OF FUNDS.—A local educational agency that receives a grant under this section may have passed another rigorous standard, or been recognized by the National Board for Professional Teaching Standards, or may have been passed assessment showing instructional excellence;

(c) APPLICATION.—To seek a grant under this section, a local educational agency shall submit an application at such time, in such manner, and contain such information as the Secretary may reasonably require.

(d) PROGRESS REPORTS.—The Secretary shall require each such application to include the following:

(1) A plan for evaluating and reporting the progress toward meeting the applicant’s goals; and

(2) A progress report on recruitment and retention prior to implementing the induction program.

(e) AUTHORIZATION OF APPROPRIATIONS.—

To carry out this section, there is authorized to be appropriated $300,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.

SEC. 2512. PEER MENTORING AND REVIEW PROGRAMS.

(a) GRANTS.—The Secretary shall make grants to local educational agencies for peer mentoring and review programs.

(b) USE OF FUNDS.—A local educational agency that receives a grant under this section shall use the funds made available through the grant to establish and implement a peer mentoring and review program.

(c) APPLICATION.—To seek a grant under this section, a local educational agency shall submit an application at such time, in such manner, and contain such information as the Secretary may reasonably require.

(d) PROGRESS REPORTS.—The Secretary shall require each such application to include the following:

(1) The plan for evaluating and reporting the progress toward meeting the applicant’s goals; and

(2) A progress report on recruitment and retention prior to implementing the induction program.

(e) AUTHORIZATION OF APPROPRIATIONS.—

To carry out this section, there is authorized to be appropriated $300,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.

SEC. 2513. ESTABLISHING STATE-OF-THE-ART PRINCIPAL TRAINING AND INDUCTION PROGRAMS AND PERFORMANCE-BASED PRINCIPAL CERTIFICATION.

(a) GRANTS.—The Secretary may make grants to not more than 10 States to develop, implement, and evaluate a pilot program for performance-based certification consisting of exemplary, highly qualified principals who can drive gains in academic achievement for all children.

(b) PROGRAM REQUIREMENTS.—A pilot program developed under this section—

(1) shall pilot the development, implementation, and evaluation of a statewide, performance-based system for certifying principals;
“(2) shall pilot and demonstrate the effectiveness of statewide performance-based certification through support for innovative performance-based programs on a smaller scale;

“(3) shall provide for certification of principals by institutions with strong track records, such as a local educational agency, nonprofit organizations, or business schools that is approved by the State for purposes of such certification and has formalized partnerships with in-State local educational agencies;

“(4) may be used to develop, sustain, and expand model programs for recruiting and training aspiring and new principals in both instructional leadership and general management skills;

“(5) shall include evaluation of the results of the pilot program and other in-State programs of principal preparation which the evaluation may include value-added assessment scores of all children in a school and should emphasize the correlation of academic achievement gains in schools led by participating principals and the characteristics and skills demonstrated by those individuals when applying to and participating in the program and the design of certification of individuals to become school leaders in the State; and

“(6) shall make possible interim certification, pursuant to 5 years for aspiring principals participating in the pilot program who—

“(A) have not yet attained full certification;

“(B) are serving as assistant principals or principal residents, or in positions of similar responsibility; and

“(C) have met clearly defined criteria for entry into the program that are approved by the applicable local educational agency.

“(c) PRIORITY.—In selecting grant recipients under this section, the Secretary shall give priority to States that—

“(1) have not yet attained full certification;

“(2) are serving as assistant principals or principal residents, or in positions of similar responsibility; and

“(3) have met clearly defined criteria for entry into the program that are approved by the applicable local educational agency.

“(d) TERMS OF GRANT.—A grant under this section—

“(1) shall be for not more than 5 years; and

“(2) shall be performance-based, permitting the Secretary to discontinue funding based on the Secretary’s judgment that the grant will not use the funds for the purposes described in subsections (a) and (b).

“(e) USE OF EVALUATION RESULTS.—A State receiving a grant under this section shall use the evaluation results of the pilot program conducted pursuant to the grant and similar evaluations of other in-State programs of principal preparation (especially the correlation of academic achievement gains in schools led by participating principals and the characteristics and skills demonstrated by those individuals when applying to and participating in the pilot program) to inform the design of certification of individuals to become school leaders in the State.

“(f) DEFINITIONS.—For the purposes of this section:

“(1) The term ‘exemplary, highly qualified principal’ has the meaning given to that term in section 2501.

“(2) The term ‘performance-based certification system’ means a certification system that—

“(A) is based on a clearly defined set of standards for skills and knowledge needed by new principals;

“(B) is based on numbers of hours enrolled in particular courses;

“(C) certifies participating individuals to become school leaders primarily based on—

“(i) the demonstration of those skills through a formal assessment aligned to those standards; and

“(ii) academic achievement results in a school leadership role such as a residency or an assistant principalship; and

“(D) awards certification to individuals who—

“(i) are graduates of programs at institutions that include local educational agencies, nonprofit organizations, and business schools approved by the State for purposes of such certification and have formalized partnerships with in-State local educational agencies.

“(g) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $100,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“SEC. 2514. STUDY ON DEVELOPING A PORTABLE PERFORMANCE-BASED TEACHER ASSESSMENT.

“(a) STUDY.—

“(1) IN GENERAL.—The Secretary shall enter into an arrangement with an objective evaluation firm to conduct a study to assess the validity of any test used for teacher certification or licensure by multiple States, taking into account the passing scores adopted by multiple States. The study shall determine the following:

“(A) The extent to which tests of knowledge subject mastery at the baccalaureate level.

“(B) Whether tests of knowledge reflect the latest research in teaching and learning.

“(C) The relationship, if any, between teachers’ scores on licensure and certification exams and other measures of teacher effectiveness, including learning gains achieved by the teachers’ students.

“(2) REPORT.—The Secretary shall submit a report to the Congress on the results of the study conducted under this section.

“(b) GRANT TO CREATE A MODEL PERFORMANCE-BASED ASSESSMENT.—

“(1) GRANT.—The Secretary may make 1 grant to an eligible partnership to create a model performance-based assessment of teaching skills that reliably evaluates teaching skills in practice and can be used to facilitate the portability of teacher credentials and licensing from one State to another.

“(2) CONSIDERATION OF STUDY.—In creating a model performance-based assessment of teaching skills, one of a grant under this section shall take into consideration the results of the study conducted under subsection (a).

“(3) ELIGIBLE PARTNERSHIP.—In this section, the term ‘eligible partnership’ means a partnership of—

“(A) an independent professional organization; and

“(B) an organization that represents administrators of State educational agencies.

“SEC. 206. AMENDMENT TO THE HIGHER EDUCATION ACT OF 1965: TEACHER QUALITY ENHANCEMENT GRANTS.

Part A of title II of the Higher Education Act of 1965 is amended by striking sections 206 through 209 (20 U.S.C. 1026–1029) and inserting the following:

“SEC. 206. ACCOUNTABILITY AND EVALUATION.

“(a) STATE GRANT ACCOUNTABILITY REPORT.—An eligible State that receives a grant under section 202 shall submit an annual accountability report to the Secretary, the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Education and the Workforce of the House of Representatives. Such report shall include a description of the degree to which the eligible State has met the purposes, goals, objectives, and measures described in subsections (a) and (b).

“(b) REVOCATION.—

“(A) ELIGIBLE STATES AND ELIGIBLE APPLICANTS.—If the Secretary determines that an eligible State or eligible applicant is not making substantial progress in meeting the purposes, goals, objectives, and measures, it may, at appropriate, by the end of the second year of a grant under this part, the then the grant payment shall not be made for the third year of the grant.

“(B) ELIGIBLE PARTNERSHIPS.—If the Secretary determines that an eligible partnership is not making substantial progress in meeting the purposes, goals, objectives, and measures, it may, at appropriate, by the end of the third year of a grant under this part.
the grant payments shall not be made for any succeeding year of the grant.

“(d) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate the activities funded under this part and report annually to the Secretary’s findings regarding the activities 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. The Secretary shall broadly disseminate successful practices developed by eligible States and eligible entities under this part, and shall broadly disseminate information regarding such practices that were found to be ineffective.

“SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PREPARE TEACHERS.

“(a) STATE REPORT CARD ON THE QUALITY OF TEACHER AND PRINCIPAL PREPARATION.— Each State that receives funds under this Act shall provide to the Secretary annually, in a uniform and comprehensive manner that conforms with the definitions and methods established by the Secretary, a State report card on the quality of teacher preparation in the State, both for traditional certification or licensure programs and for alternative certification or licensure programs, which—

“(1) A description of the teacher and principal certification and licensure assessment required for teacher certification and licensure requirements, used by the State.

“(2) The standards and criteria that prospective teachers and principals must meet in order to obtain initial teacher and principal certification or licensure and to be certified or licensed to teach particular subjects or in particular grades within the State.

“(3) A description of the extent to which the assessments and requirements described in paragraph (1) are aligned with the State’s standards and assessments for students.

“(4) The percentage of students who have completed the clinical coursework for a teacher preparation program at an institution of higher education or alternative certification program and who have taken and passed each of the assessments used by the State for teacher certification and licensure, and the percentage of students who have completed the clinical coursework for the program’s pass rate for students who have completed the clinical coursework for the program, the number of minority students in the program, and the number of full-time equivalent faculty, adjunct faculty, and students in supervised practice teaching.

“(9) For the State as a whole, and for each teacher preparation program in the State, the number of the number of students who passed the State’s certification or licensure assessment taken over a 3-year period.

“(A) level (elementary or secondary);

“(B) academic major;

“(C) academic content knowledge and academic language.

“(10) The State shall refer to the data generated for paragraphs (8) and (9) to report on the extent to which teacher preparation programs are helping to address shortages of qualified teachers, by level, subject, and specialty, in the State’s public schools, especially in poor urban and rural areas as required by section 206(a)(5).

“(b) REPORT OF THE SECRETARY ON THE QUALITY OF TEACHER PREPARATION.—

“(1) REPORT CARD.—The Secretary shall provide to Congress, and publish and make widely available, a report card on teacher qualifications and preparation in the United States, including indicators of higher education or alternative certification programs with fewer than 10 students who have completed the clinical coursework for a teacher preparation program taking any single initial teacher certification or licensure assessment taken over a 3-year period.

“(2) REPORT TO CONGRESS.—The Secretary shall report to Congress—

“(A) a comparison of States’ efforts to improve teaching quality; and

“(B) regarding the national mean and median scores on any standardized test that is used in more than 1 State for teacher certification or licensure.

“(3) SPECIAL RULE.—In the case of programs that include criteria based upon information collected and published under this Act, such criteria shall be considered satisfied if the Secretary determines that the programs meet such criteria based upon the data received from the programs.

“(4) FINES.—In addition to the actions authorized in section 487(c), the Secretary may impose a fine not to exceed $25,000 on an institution of higher education that fails to provide the information described in this subsection in a timely or accurate manner.

“(5) DATA QUALITY.—Either—

“(1) the Governor of the State; or

“(2) in the case of a State for which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for teacher certification and preparation activity, such individual, entity, or agency; shall attest annually, in writing, as to the accuracy, timeliness, completeness, and usefulness of the data submitted pursuant to this section.

“SEC. 208. STATE FUNCTIONS.

“(a) ASSESSMENTS.—In order to receive funds under this Act, a State shall have in place a procedure to identify and assist, through the provision of technical assistance, low-performing programs of teacher preparation within institutions of higher education. Such State shall provide the Secretary an annual list of such low-performing programs that includes an identification of those institutions at risk of being placed on such list. Such levels of performance shall be determined solely by the State and may include criteria such as student retention rates, pass rates on at least 3 years of program assessments, or any other criteria based upon the data collected pursuant to this part. Such assessment shall be described in the report under section 206(a). A State receiving Federal funds under this title may apply to the Secretary for a waiver to close or reconstitute underperforming programs of teacher preparation within institutions of higher education.

“(b) DETERMINATION OF ELIGIBILITY.—Any institution of higher education that offers a program of teacher preparation in which the State has withdrawn the State’s approval or the institution has been found to the low performance of the institution’s teacher preparation program based upon the
State assessment described in subsection (a)—

(1) shall be ineligible for any funding for professional development activities awarded by the Secretary under this Act, and

(2) shall not be permitted to accept or enroll any student who receives aid under title IV of this Act in the institution’s teacher preparation program.

SEC. 209. GENERAL PROVISIONS.

In complying with sections 207 and 208, the Secretary shall ensure that States and institutions of higher education use fair and equitable methods in reporting and that the reporting methods do not allow identification of individuals.

SEC. 303. ENHANCING NCLB’S TEACHER EQUITY PROVISION.

Subpart 2 of part E of title IX of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7901 et seq.) is amended by adding at the end the following:

SEC. 9537. ASSURANCE OF REASONABLE PROGRESS TOWARD EQUITABLE ACCESS TO TEACHER QUALITY.

(a) IN GENERAL.—The Secretary may not provide any assistance to a State under this Act unless the State has developed a plan for equitable access to teacher quality.

(b) QUALITY.—A State shall use the data provided by States under section 1111(b)(7)(B) and at least one public report pursuant to section 1111(b)(10), 1111(b)(8)(C) and at least one public report pursuant to that section to ensure that any State plan submitted by an eligible entity that seeks assistance under this Act describes how the State assures that the plan is aligned to State standards; that the plan is being started to implement innovations in teacher and principal evaluation and provides for a plan that includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(c) ANNUAL REPORT.—The Secretary shall provide an annual report to Congress on the progress made by States in achieving equitable access to teacher quality.

(d) DURATION.—Each grant under this section shall be for a period of 5 years.

(3) STANDARDS.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(4) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(5) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(6) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(7) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(8) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(9) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(10) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(11) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(12) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(13) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(14) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;

(15) DURATION.—The Secretary shall provide any assistance to a State under this section, the Secretary shall determine that any State plan submitted by an eligible entity that seeks assistance under this Act includes a description of the State’s standards for the collection of data and performance measures for purposes of this section;
“(i) shall include at least two members who are representative of, or designated by, the school board of the local educational agency to be served by the teacher center.

(ii) shall include at least one member who is a representative of, and is designated by, the institutions of higher education (with departments or schools of education) located in the area and

(iii) may include paraprofessionals.

(g) APPLICATION.—

(1) IN GENERAL.—To seek a grant under this section, an eligible entity shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(2) ASSURANCE OF COMPLIANCE.—An application under paragraph (1) shall include an assurance that the applicant will require any teacher center receiving assistance through the grant to comply with the requirements of this section.

(3) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

(A) An assurance that—

(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board participated fully in the preparation of the application; and

(iii) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.

(2) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

(A) An assurance that—

(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board approved the application as submitted.

(iii) the board participated fully in the preparation of the application; and

(iv) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.

(3) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

(A) An assurance that—

(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board participated fully in the preparation of the application; and

(iii) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.

(h) DEFINITIONS.—In this section:

"(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board approved the application as submitted.

(iii) the board participated fully in the preparation of the application; and

(iv) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.

(2) TEACHERS OF HIGH-NEED SUBJECTS.—

(i) The term ‘eligible entity’ means—

(A) a teacher center policy board described in subsection (f).

(B) a teacher center policy board described in subsection (f).

(ii) For purposes of this subsection, the term ‘high-need subject’ means—

(A) a subject taught primarily by teachers employed as a teacher in a high-need school during the taxable year, and

(B) a subject taught primarily by teachers employed as a teacher in a high-need school during the taxable year, and

(iii) the term ‘high-need school’ means—

(A) a public elementary school or public secondary school.

(B) a public elementary school or public secondary school.

(3) HIGH-NEED SUBJECTS.—For purposes of this subsection, the term ‘high-need subject’ means—

(A) a subject taught primarily by teachers employed as a teacher in a high-need school during the taxable year, and

(B) a subject taught primarily by teachers employed as a teacher in a high-need school during the taxable year, and

(iii) the term ‘high-need school’ means—

(A) a public elementary school or public secondary school.

(B) a public elementary school or public secondary school.

(4) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

(A) An assurance that—

(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board approved the application as submitted.

(iii) the board participated fully in the preparation of the application; and

(iv) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.

(5) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

(A) An assurance that—

(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board approved the application as submitted.

(iii) the board participated fully in the preparation of the application; and

(iv) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.

(6) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

(A) An assurance that—

(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board approved the application as submitted.

(iii) the board participated fully in the preparation of the application; and

(iv) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.

(7) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

(A) An assurance that—

(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board approved the application as submitted.

(iii) the board participated fully in the preparation of the application; and

(iv) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.

(8) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

(A) An assurance that—

(i) the applicant has established a teacher center policy board described in subsection (f).

(ii) the board approved the application as submitted.

(iii) the board participated fully in the preparation of the application; and

(iv) the board approved the application as submitted.

(B) A description of the membership of the board and the method of its selection.

(C) A description of the structure of the board.

(D) A description of the method by which the board approved the application.
children and to strengthen the standards for State sex offender registration programs; to the Committee on the Judiciary.

Mr. DODD. Mr. President, I am pleased to join with my colleague from Maine, Senator Collins, and my colleague from Vermont, Senator Leahy, to introduce legislation today to protect America’s children from the vicious criminals who prey on them. When it comes to keeping our children safe, nothing done in the last few years, anyone who picks up a newspaper today can see that far too many of our kids are still too vulnerable.

The most recent annual data shows that about 58,000 children were abducted by nonfamily members, usually people who are strangers to the children. The most frequent victims were teenage girls. Almost one-half of these victims were sexually molested.

First, it will require that information on a child could be disseminated throughout the country within 2 hours through the National Crime Information Center database. The reason for this requirement is that time is of the essence. In cases where a child is killed, the evidence shows that the child died within the first three hours of being kidnapped. The more quickly that police throughout the country can be alerted, the more likely it is that we can save a child before a child is harmed.

Second, the bill will make it tougher for convicted sex offenders to escape the law and the watchful eye of the community in which they live. We know that far too many jurisdictions rely essentially on the voluntary actions of the convicted sex offender to register his residence, his car and license plate, and other pertinent information. Moreover, requirements vary from state to state and jurisdiction to jurisdiction.

Therefore the legislation we are introducing today will provide tough national standards that will require these criminals to register before they are released from prison. It will require, within 48 hours of moving to a new residence, that these individuals report to local law enforcement and provide information about their residence, a current photograph, DNA sample, as well as the make, model, and license plate number of his or her vehicle and get a driver’s license or ID. Every 90 days, they would have to verify their registry information and annually provide a new photograph. Failure to comply with these requirements would subject the criminal to a felony.

These new requirements are tough, but our children’s safety is far too important to be left to patchwork laws and the voluntary action of convicted criminals, whose likelihood of repeating the crime is extremely high.

Third, the legislation removes a current requirement that the names of missing children are deleted from the national database when those children turn 18. Just because a child turns 18 doesn’t mean that our country should not try to find that child and certainly doesn’t mean that the child should be forgotten.

Therefore, in my view, no legislation is more important than building a better future for our children. And, nothing is more important to building that future than keeping our children safe today.

Moreover, the legislation provides another mechanism through which police throughout the country can use the law and the watchful eye of the community to protect our children from every parent’s nightmare. I ask unanimous consent to have a brief summary of the bill printed in the RECORD.

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

PREVENTION AND RECOVERY OF MISSING CHILDREN ACT OF 2005—BRIEF SUMMARY

The most recent annual data shows that 58,000 children were abducted by nonfamily members, usually people who are strangers to the children. Most of the victims were teenage girls and nearly half were sexually molested. The National Crime Information Center (NCIC) database indicates that, after linking 16,000 Federal, State, and local law enforcement agencies. Currently, registration for convicted sex offender rules vary by state. A number of States rely on sex offenders to self-report.

When a known registered person is moving into or out of a jurisdiction, the registering agency is required to submit the registrant’s name, address, and other identifying information available under the sex offender registration laws. The registering agency shall forward to the law enforcement agency in the jurisdiction to which the offender is moving or from which the offender is moving the law enforcement information, including, but not limited to, the registrant’s name, age, address, and, where applicable, a description of any sex offense or offenses for which the registrant has been convicted or adjudicated.

Improve missing child reporting requirements. The law requires that the law enforcement agencies and the registering agency (or the law enforcement agencies in the jurisdiction in which the child is residing at the time of the report, if applicable) to report missing children to the NCIC database within 2 hours of the changes taking effect. Currently, this requirement is imposed on July 1, 1994 when the balance decreased to $842 million remaining in the Fund. This is compared to previous years when the un obligated balance was well over $1 billion, as was required under the Act through a 5 cents per barrel of oil tax collected from the oil industry on petroleum produced in or imported to the United States.

The Coast Guard announced at the end of the fiscal year 2004 that $50 million remaining in the Fund. This is expected to reduce the potential for a similar spill to happen again and mitigate the environmental impacts in such an instance. The Oil Spill Liability Trust Fund is the cornerstone of the Oil Pollution Act ensuring funds for expeditious oil removal and providing for uncompensated damages to the environment. It is the “polluter pays” policy under the Act that requires the responsible party to pay, with a certain party to pay back into the Fund all costs and damages related to a spill.

Unfortunately, the Oil Spill Liability Trust Fund is rapidly running out of money. At a recent Commerce Committee hearing hearing the Committee on Finance testified that the Oil Spill Liability Trust Fund would likely be depleted by 2009. And in its report on the “Implementation of the Oil Pollution Act of 1990” released May 12, 2005, the Coast Guard announced at the end of the fiscal year 2004, the balance decreased to $50 million remaining in the Fund. This is compared to previous years when the un obligated balance was well over $1 billion, as was required under the Act through a 5 cents per barrel of oil tax collected from the oil industry on petroleum produced in or imported to the United States. The tax was suspended on July 1, 1993 when the un obligated balance in the Fund exceeded $1 billion. Thereafter, the tax was reinstalled on July 1, 1994 when the balance decreased to $1 billion. However, the tax expired on December 31, 1994 pursuant to the sunset provision under the Act.
Since this time, the Oil Spill Liability Trust Fund has been unable to maintain a funding level above $1 billion from its various revenue sources prescribed under the Act, which consist of transfers from other existing pollution funds, interest on the Fund principal, U.S. Treasury investments, cost recoveries from responsible parties, and penalties. The only viable option to maintain the Fund’s solvency is the reinstatement of the 5 cents per barrel of oil tax. The bill I introduce today would phase in the 5 cents tax, and into effect after the last day of the first calendar quarter ending more than 30 days after the date of enactment. In addition, the bill provides that the Oil Spill Liability Trust Fund be funded at $3 billion, and if the fund drops below $2 billion the 5 cents per barrel tax will automatically be reinstated until the fund exceeds $3 billion.

By Mr. DODD:

S. 1223. A bill to amend the Public Health Service Act to improve the quality and efficiency of health care delivery through improvements in health care information technology, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DODD. Mr. President, today I am pleased to announce the reintroduction of the Information Technology for Health Care Quality Act. By encouraging health care providers to invest in information technology (IT), this legislation has the potential to bring skyrocketing health care costs under control and improve the overall quality of care in our nation.

We are facing a health care crisis in our country. According to the Census Bureau, 45 million Americans were without health insurance in 2003—an increase of 1.4 million over 2002. In many respects, we have the greatest health care world, but for many Americans are unable to take advantage of this system.

The number of uninsured continues to rise because the cost of health care continues to soar. Year after year, health care costs increase by double-digit percentages. The cost of employer-sponsored coverage increased by 11 percent last year, after a 14-percent increase in 2003. Employers are dropping health care coverage because they can no longer afford to foot the bill. One of the ways to provide health care coverage to every American is to reign in health care costs. And expanding the use of IT in health care is the best tool we have to control costs. Studies have shown that as much as one-third of health care spending is for redundant or inappropriate care. Estimates suggest that up to 14 percent of laboratory tests and 11 percent of medication usage are unnecessary. Finally, and perhaps most disturbingly, we know, on average, years for evidence to be incorporated into clinical practice. Along these same lines, a recent study showed that patients receive the best evidence-based treatment only about half the time.

Significant cost-savings will undoubtedly be realized simply by moving away from a paper-based system, where patient test results are easily lost or misplaced, to an electronic system where data is easily stored, transferred from location to location, and retrieved at any time. With health IT, physicians will have their patients’ medical information at their fingertips. A physician will no longer have to take another set of X-Rays because the first set was misplaced, or order a test that the patient had six months ago in another hospital because she is unaware that the test ever took place. The potential for cost-savings from simply eliminating redundancies and unnecessary tests, and reducing administrative and transaction costs, is substantial.

Of course, when we consider the improved patient safety that will result from wider adoption of health IT, the impact on cost is even greater. For example, IT can provide decision support to ensure that physicians are aware of the most up-to-date, evidenced-based practices regarding a specific disease or condition, which will reduce expensive hospitalizations. Given all of these benefits, estimates suggest that Electronic Health Records (EHRs) alone could save more than $100 billion per year. IT’s benefits could be multiplied hundreds of billions annually. Such a significant reduction in health care costs would allow us to provide coverage to millions of uninsured Americans.

The benefits of IT go beyond economics. I am sure that all of my colleagues are familiar with the Institute of Medicine (IOM) estimate that up to 98,000 Americans die each year as a result of medical errors. A RAND Corporation study put the cost of medical errors at $17 billion, on average, patients receive the recommended care for certain widespread chronic conditions only half of the time. That is an astonishing figure. To put it in a slightly different way, for many of the health conditions with which physicians should be most familiar, half of all patients are essentially being treated incorrectly.

Most experts in the field of patient safety and health care quality, including the IOM, agree that improving IT is one of the crucial steps towards safer and better health care. By providing physicians with access to patients’ complete medical history, as well as electronic cues to help them make the correct treatment decisions, IT has the potential to significantly impact the care that Americans receive. It is impossible to put a value on the potential savings in human lives that would undoubtedly result from a nationwide investment in health care information technology.

It might seem counterintuitive that we can realize tremendous cost savings while, at the same time, improving care for patients. But in fact, improving patient care is essential to reducing costs. IT is the key to unlocking the door—it has the potential to lead to improvements in care and efficiency that will save patients’ lives, reduce costs, and reduce the number of uninsured Americans.

Unfortunately, despite the impact that IT can have on cost, efficiency, patient safety, and health care quality, most health care providers have not yet begun to invest in new technologies. The use of IT in most hospitals and doctors’ offices lags far behind almost every other sphere of society. The vast majority of written work, such as patient charts and prescriptions, is still done using pen and paper. This leads to mistakes, higher costs, reduced quality of care, and in the most tragic cases, death.

There is no question in my mind that the federal government has a significant role to play in expanding investment in health IT. This legislation that I am introducing today defines that role. First, this bill would establish federal leadership in defining a National Health Information Infrastructure (NHII) and adopting health IT standards. While I am pleased that the administration has already appointed a National Coordinator for Health Information Technology, I believe that the authority given to the Coordinator and the resources at his disposal must be commensurate with the task at hand. That is why my legislation creates an office in the White House, the Office of Health Information Technology, to oversee all of the Federal Government’s activities in the area of health IT, and to create and implement a national strategy to expand the adoption of IT in health care.

This office would also be responsible for leading a collaborative effort between the public and private sectors to develop the technical standards for health IT. These standards will ensure that health care information can be shared between providers, so that a family moving from Connecticut to California will not have to leave their medical history behind. At the same time, this bill would ensure that the adopted standards protect the privacy of patient records. While the creation of portable electronic health records is an important goal, privacy and confidentiality must not be sacrificed.

This legislation would also provide financial assistance to individual health care providers to stimulate investment in IT, and to communities to help them set up interoperable IT infrastructures at the local level, often referred to as Local Health Information Infrastructures—LHIIs. IT requires a huge capital investment. Many providers, especially small doctors’ offices, and safety-net and rural hospitals and health centers, simply cannot afford to make the type of investment that is needed.

Finally, this legislation would provide for the development of a standard
follows:

Ordered to be printed in the Record, as follows:

The establishment of standard quality measures is also the first step in moving our nation towards a system in which health care providers are paid not simply for the volume of patients that they treat, but for the quality of care that they deliver. To this end, my legislation would require the Secretary of Health and Human Services to report to Congress on possible changes to Federal reimbursement and payment structures that would encourage the adoption of IT to improve health care quality and patient safety.

I know that many of my colleagues, including Senator ENZI, Senator KENNEDY, Senator CLINTON, Senator FEinstein and Senator GEهجEG, have an interest in this issue. I look forward to working with all of them to move legislation this year. It is time for our country to make a concerted effort to bring the health care sector into the 21st century. We must invest in health IT systems, and we must begin to do so immediately. The number uninsured, the skyrocketing cost of care, and the number of medical errors should all serve as a wake-up call. We have a tool at our disposal to address all of these problems, and there is no more time to waste. I urge my colleagues to support this legislation.

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. 2002. OFFICE OF HEALTH INFORMATION TECHNOLOGY.

(a) ESTABLISHMENT.—There is established within the executive office of the President an Office of Health Information Technology. The Office shall be headed by a Director to be appointed by the President. The Director shall report directly to the President.

(b) PURPOSE.—It shall be the purpose of the Office to:

(1) improve the quality and increase the efficiency of health care delivery through the use of health information technology;

(2) provide national leadership relating to, and encourage the adoption of, health information technology;

(3) direct health information technology activities within the Federal Government; and

(4) facilitate the interaction between the Federal Government and the private sector relating to health information technology development and use.

(c) DUTIES AND RESPONSIBILITIES.—The Office shall be responsible for the following:

(1) NATIONAL STRATEGY.—The Office shall develop a national strategy for improving the quality and efficiency of health care through the improved use of health information technology and the creation of a National Health Information Infrastructure.

(2) FEDERAL LEADERSHIP.—The Office shall—

(A) serve as the principle advisor to the President concerning health information technology;

(B) direct all health information technology activities within the Federal Government, including approving or disapproving agency policies submitted under paragraph (3);

(C) work with public and private health information technology stakeholders to implement the national strategy described in paragraph (1); and

(D) ensure that health information technology is utilized as fully as practicable in carrying out health surveillance efforts.

(3) AGENCY POLICIES.—(A) IN GENERAL.—The Office shall, in accordance with this paragraph, approve or disapprove the policies of Federal departments or agencies with respect to any policy proposed to be implemented by such agency or department that would significantly affect that agency or department's use of health information technology.

(B) SUBMISSION OF PROPOSAL.—The head of any Federal Government agency or department that desires to implement any policy with respect to such agency or department that would significantly affect that agency or department's use of health information technology shall submit an implementation proposal to the Office at least 60 days prior to the proposed date of the implementation of such policy.

(C) APPROVAL 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 the implementation of such 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 approved.

(D) FAILURE TO APPROVE.—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).

(4) 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; and

(B) coordinate with the Agency for Healthcare Research and Quality and other Federal agencies to—

(1) implement the national strategy described in paragraph (3); and

(2) oversee and coordinate the health information technology efforts of the Federal Government.

(5) COMMUNICATION.—The Office shall—

(A) serve as the principle advisor to the President concerning health information technology.

(B) work with the private sector to collect and disseminate best health information technology practices.

(C) in consultation with private sector, adopt certification and testing criteria to determine if electronic health information systems interoperate.

(6) EVALUATION AND DISSEMINATION.—The Office shall coordinate with the Agency for Health Research and Quality and other Federal agencies to—

(A) evaluate and disseminate information relating to evidence of the costs and benefits...
of health information technology and to whom those costs and benefits accrue;

"(B) evaluate and disseminate information on the impact of health information technology on the quality and efficiency of patient care; and

"(C) review Federal payment structures and differentials for health care providers that utilize health information technology systems.

"(7) TECHNICAL ASSISTANCE.—The Office shall utilize existing private sector quality improvement organizations to—

"(A) promote the adoption of health information technology among healthcare providers; and

"(B) provide technical assistance concerning the implementation of health information technology to healthcare providers.

"(8) FEDERAL REIMBURSEMENT.—

"(A) IN GENERAL.—Not later than 6 months 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 to healthcare providers.

"(B) GRANTS OR CONTRACTS.—The Director shall utilize existing private sector quality improvement organizations to—

"(1) identify gaps or other shortcomings in national data and communication health information technology standards that promote the efficient exchange of data between various providers of health information technology systems. In carrying out the preceding sentence, the Director may license such standards, or require the licensing of such standards, and perform the duties and responsibilities of the Office under this section.

"(2) require that, with respect to each recommendation, a plan for the implementation, or an explanation as to why implementation is inadvisable, of such recommendations. The Office shall continue to monitor federally funded and supported information technology and quality initiatives (including the initiatives funded in this title), and periodically update recommendations to the President and the Secretary.

"(d) The President shall make available to the Office, the resources, both financial and otherwise, necessary to enable the Director to carry out the purposes of, and perform the duties and responsibilities of the Office under this section.

"(e) DETAIL OF FEDERAL EMPLOYEES.—Upon the request of the Director, the head of any Federal agency is authorized to detail, with or without reimbursement from the Office, any of the personnel of such agency to the Office to assist in the duties of the Office under this section. Any such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"SEC. 2903. PROMOTING THE INTEROPERABILITY OF HEALTH CARE INFORMATION TECHNOLOGY SYSTEMS.

"(a) DEVELOPMENT AND FEDERAL GOVERNMENT ADOPTION, OF STANDARDS.—

"(1) ADOPTION.—

"(A) IN GENERAL.—Not later than 2 years after the date of enactment of this title, the Director, in collaboration with the Consolidated Health Informatics Initiative (or a successor organization to such Initiative), shall adopt health information technology standards developed by the Federal Government of national data and communication health information technology standards that promote the efficient exchange of data between various providers of health information technology systems. The Director may require.

"(B) LICENSING.—To facilitate the dissemination and implementation of the standards adopted under subsection (a), the Director may license such standards, or utilize other means, to ensure the widespread use of such standards.

"(2) IMPLEMENTATION OF STANDARDS.—

"(A) PURCHASE OF SYSTEMS BY THE SECRETARY.—Effective beginning on the date that is 1 year after the adoption of the health information technology standards pursuant to subsection (a), the Secretary shall not purchase any health care information technology system unless such system is in compliance with the standards adopted under subsection (a), nor shall the Secretary approve any proposal pursuant to section 2902(c)(3) unless such proposal utilizes systems that are in compliance with the standards adopted under subsection (a).

"(B) RECIPIENTS OF FEDERAL FUNDS.—Effective on the date described in paragraph (1), no appropriated funds may be used to purchase a health care information technology system unless such system is in compliance with applicable standards adopted under subsection (a).

"(C) MODIFICATION OF STANDARDS.—

"(1) MODIFICATION OF STANDARDS.—The Director shall provide for ongoing oversight of the health information technology standards developed and adopted under subsection (a) to—

"(i) identify gaps or other shortcomings in such standards; and

"(ii) to develop, and adopt, regulations to ensure that each such agency or department complies with the requirements of subsection (b).

"(2) REQUIREMENTS.—The standards developed and adopted under paragraph (1) shall be designed to—

"(A) enable health information technology to be useful for the collection and use of clinically specific data;

"(B) promote the interoperability of health care information across health care settings; and

"(C) facilitate clinical decision support through the use of health information technology; and

"(D) ensure the privacy and confidentiality of medical information.

"(3) PUBLIC PRIVATE PARTNERSHIP.—

"(A) IN GENERAL.—Not later than 6 months after the date of enactment of this title, including the Consolidated Health Informatics Initiative (or a successor organization to such Initiative), health information technology standards shall be adopted by the Director under paragraph (1) at the conclusion of a collaborative process that includes consultation between the Government and private sector health care and information technology stakeholders.

"(B) 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–2, 1320d–3, 1320d–5, 1320d–6, 1320d–8, 1320d–9, 1320d–10, 1320d–11, and 1320d–12) and section 2601 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–2 note) with respect to the privacy and security of health information shall apply to the implementation of programs and activities under this title.

"(C) PILOT TESTS.—To the extent practicable, the Director shall pilot test the health information technology data standards developed under paragraph (1) prior to their implementation under this section.

"(D) DISSEMINATION.—

"(A) IN GENERAL.—The Director 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 adopted under subsection (a), the Director may license such standards, or utilize other means, to ensure the widespread use of such standards.

"(2) USE OF FUNDS.—Amounts received under a loan guarantee under subsection (a) shall be used—

"(i) with respect to a loan guarantee described in subsection (a)(1)—

"(A) to develop a plan for the implementation of a local health information infrastructure; and

"(B) to train staff, maintain health information technology systems, and maintain adequate security and privacy protocols;

"(ii) with respect to a loan guarantee described in subsection (a)(2)—

"(A) to develop a plan for the purchase and installation of health information technology;
“(B) to purchase directly related integrated hardware and software to establish an interoperable health 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; and

“(3) to carry out any other activities determined appropriate by the Director.

“(d) CONSIDERATIONS FOR CERTAIN ENTITIES.—In awarding loan guarantees under this section, the Director shall give special consideration to eligible entities that—

“(1) provide service to low-income and underserved populations; and

“(2) agree to electronically submit the information described in paragraphs (3) and (4) of subsection (b) on a daily basis.

“(e) SPECIAL CONSIDERATIONS FOR LOCAL HEALTH INFORMATION INFRASTRUCTURES.—In awarding loan guarantees under this section, 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; and

“(2) incorporate public health surveillance and reporting into the overall architecture of the proposed infrastructure; and

“(3) link local health information infrastructures.

“(f) AREAS OF SPECIFIC INTEREST.—In awarding loan guarantees 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) ADMINISTRATIVE PROVISIONS.—

“(1) AGGREGATE AMOUNT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the aggregate amount of principal and interest under guaranteed loans under subsection (a) with respect to an eligible entity may not exceed $5,000,000. In any 12-month period the amount disbursed to an eligible entity under this section (by a lender under a guaranteed loan) may not exceed $5,000,000.

“(B) EXCLUSION.—The cumulative total of the principal of the loans outstanding at any time due to loan guarantees that have been issued under subsection (a) may not exceed such limitations as may be specified in appropriation Acts.

“(h) PROTECTION OF FEDERAL GOVERNMENT.—

“(A) IN GENERAL.—The Director may not approve an application for a loan guarantee under this section unless the Director determines that—

“(i) the terms, conditions, security (if any), and schedule and amount of repayment 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 is not available on reasonable terms and conditions without the enactment of this section.

“(B) RECOVERY.—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 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.

“(I) MODIFICATION OF TERMS.—Any terms and conditions of a loan guarantee under this section may be modified by the Director to the extent the Director determines it to be consistent with the financial interests of the United States.

“(J) 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 guaranteed under this section, including taking possession of, holding, and using real property pledged as security for such a loan guarantee.

“(K) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $250,000,000 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 competitive grants to eligible entities—

“(1) to implement local health information infrastructures to facilitate the development of interoperability across health care settings;

“(2) to facilitate the purchase and adoption of health information technology.

“(b) ELIGIBILITY.—To be eligible to receive a grant under subsection (a) an entity shall—

“(1) demonstrate financial need to the Director;

“(2) provide to the Director a plan for the use of the grant; and

“(3) agree to—

“(I) agree to provide matching funds in accordance with subsection (g);

“(II) use the grant to purchase hardware and software to establish an interoperable health information technology system that is capable of linking to a national or local health care information infrastructure; and

“(III) train staff, maintain health information technology systems, and maintain adequate security and privacy protocols;

“(c) USE OF FUNDS.—Amounts received under a grant under subsection (a) shall be used—

“(1) with respect to a grant described in subsection (a)(1)—

“(A) to develop a plan for the implementation of a 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 implement, 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) to—

“(A) develop a plan for the purchase and installation of health information technology;

“(B) to purchase directly related integrated hardware and software to establish an interoperable health 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) to carry out any other activities determined appropriate by the Director.

“(d) SPECIAL CONSIDERATIONS FOR CERTAIN ENTITIES.—In awarding grants under this section, the Director shall give special consideration to entities that—

“(1) provide service to low-income and underserved populations; and

“(2) agree to electronically submit the information described in paragraphs (4) and (5) of subsection (b).

“(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) provide service to low-income and underserved populations; and

“(2) agree to electronically submit the information described in paragraphs (4) and (5) of subsection (b).

“(f) 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 the infrastructure program for which the grant was awarded, the entity will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than 20 percent of such costs ($1 for each $5 of Federal funds provided under the grant).

“(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required under paragraph (1) may be in cash or in kind, fairly evaluated, including equipment, training or other services made available 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.

(b) AUTHORIZATION OF APPROPRIATIONS.—
(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $200,000,000 for each of fiscal years 2006 through 2011.

(2) UNRELIABILITY.—Amounts appropriated under paragraph (1) shall remain available for obligation until expended.

SEC. 3. STANDARDIZED MEASURES OF QUALITY HEALTH CARE AND DATA COLLECTION.

Title XXIX of the Public Health Service Act, as added by section 2, is amended by adding at the end the following:

"SEC. 2906. STANDARDIZED MEASURES OF QUALITY HEALTH CARE.

"(a) IN GENERAL.—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, 1996), the Institute of Medicine, the Joint Commission on Accreditation of Healthcare Organizations, the National Committee for Quality Assurance, the American Health Care Association, the National Quality Forum, the Medicare Payment Advisory Commission, and other individuals and organizations determined appropriate by the Secretaries, shall establish uniform health care quality measures to assess the effectiveness, timeliness, patient-centeredness, efficiency, equity, and safety of care delivered across all federally supported health delivery programs.

"(b) DEVELOPMENT OF MEASURES.—Not later than 1 year 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 their report entitled "Priority Areas for National Action" in 2003, or other such 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 be based on the evaluation criteria formulated by clinical professionals, consumers, and data collection experts.

"(c) 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.

"(d) PUBLIC REPORTING REQUIREMENTS.—The Secretaries, working collaboratively, shall establish public reporting requirements for each of the measures developed under subsection (a). The Secretaries shall ensure uniformity of the measures and patient-level data, and ensure that measures reflect new information, reflecting updated scientific evidence and research necessary to establish effective clinical treatments that will serve as a basis for additional measures.

"(e) COMPARATIVE QUALITY REPORTS.—Beginning not later than 3 years after the date of enactment of this title, in order to make comparable quality information available to health care consumers, including members of health disparity populations, health care professionals, researchers, and other appropriate individuals and entities, the Secretaries shall conduct comparative quality reports that will serve as a basis for additional quality measures under this section. Nothing in this section shall be construed as modifying the privacy standards under the Health Insurance Portability and Accountability 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 established under this section.

"(g) EVALUATION AND REGULATIONS.—

"(1) EVALUATION.—

"(A) IN GENERAL.—The Secretary shall, directly or indirectly through a contract with another entity, conduct an evaluation of the effectiveness and usefulness of the unified health care quality measures and reporting requirements for federally supported health delivery programs as required under this section.

"(B) REPORT.—Not later than 1 year after the date of enactment of this title, the Secretary shall submit a report to the appropriate committees of Congress concerning the results of the evaluation under subparagraph (A).

"(2) REGULATIONS.—In this section, the term "federally supported health delivery program" means a program that is funded by the Federal Government under which health care items or services are delivered directly to patients.

By Mrs. BOXER (for herself and Mr. LAUTENBERG).

S. 1224. A bill to protect the oceans, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mrs. BOXER. Mr. President, as we commemorate World Oceans Week, we celebrate the wonder and beauty of the world’s oceans. We celebrate the role our oceans play in commerce, fishing and shipping. We celebrate the beauty of our coral reefs and the potential life sustaining current in our oceans. And we celebrate our commitment to improving the health of our oceans, so that our children and grandchildren will have a chance to enjoy and cherish them.

That is why I am pleased to introduce the National Oceans Protection Act of 2005—comprehensive legislation to improve the health and governance of our oceans. The bill is co-sponsored by Senator LAUTENBERG.

This legislation "was written after two major ocean commissions report its findings in the past two years determined that our oceans are in a state of crisis. The congress—appropriately-establishestheU.S. Commission on Ocean Policy and the Independent Pew Oceans Commission provided detailed descriptions of the challenges our oceans are facing as well as specific solutions to improve ocean health.

From pollution to over-fishing to invasive species, there are many factors that have contributed to the current crisis in which we find ourselves. Pollution threatens all aspects of ocean health. Every 8 months, nearly 13 billion gallons of sewage from American roads into our waters—the equivalent of the Exxon Valdez oil spill.

Our oceans are also showing signs of being over-fished, which affects the viability of fish stocks for their livelihood. Many fish populations, including salmon, face the threat of being depleted to seriously low levels. Invasive species—such as the killer algea found near San Diego in 2000—are another threat to ocean health. In the San Francisco Bay alone, more than 175 invasive species threaten to overwhelm native species.

By targeting some of the most serious challenges facing our oceans, as outlined in the Commissions’ reports, my legislation provides a comprehensive national approach to oceans protection and preservation.

Let me just mention a couple of the important provisions in four key areas: First, the bill improves the governance of the oceans by giving the National Oceanic and Atmospheric Administration the independence it needs to better facilitate the management and oversight of our oceans.

Second, the bill protects and conserves marine wildlife and habitat by, among other things, creating protection areas and authorizing $50 million per year in grants to local communities to restore fisheries and coastal areas.

Third, the bill strengthens fisheries and encourages sustainable fishing in a number of ways, including requiring that entire ecosystems be taken into account when considering the health of a fishery.

And, fourth, the bill improves the quality of ocean water by establishing maximum amounts of pollution that a body of water can hold and still be healthy. In addition, financial assistance will be provided to local government to reduce pollution and increase monitoring.

For their contributions to this legislation and their great leadership on
oceans issues, I would like to thank Senators INOUYE, GREGG, LAUTENBERG, and LEVIN, as well as former Senator Hollings.

It is my hope that this bill will provide the framework needed to protect and improve our oceans. The great environmentalist and ocean-explorer Jacques Cousteau once said, "If we were logical, the future would be bleak, indeed. But we are more than logical. We are human beings, and we have faith, and we have hope, and we can work."

As we celebrate World Oceans Week, it is my hope that we can work together to provide a bright future for the world's oceans and continue to protect our coastal economy.

I encourage my colleagues to join me in this effort to implement the recommendations of the U.S. Commission on Ocean Policy and the Pew Oceans Commission.

I ask unanimous consent that a summary of the bill and list of endorsements be printed in the RECORD.

There being no objection, the material so printed can be printed in the RECORD, as follows:

THE NATIONAL OCEANS PROTECTION ACT

1. IMPROVING THE GOVERNANCE OF THE OCEANS

The Ernest "Fritz" Hollings National Ocean Policy and Leadership Act

Establishes an independent National Oceanic and Atmospheric Administration (NOAA).

Independence will occur after a two-year transition period.

Creates a Council on Ocean Stewardship that will annually review funding, policy recommendations, and programs for ocean protection.

The Council will function as a federal coordinating body of the various agencies that deal with oceans issues, and will be placed in the Executive Office of the President.

Other Governance Provisions

Requires that all activities on the Outer Continental Shelf—such as wave energy projects, desalination by biotech companies, and wind energy projects—receive a federal permit to ensure that projects do not pose an adverse threat to the health of the ocean ecosystem or require permits for oil and gas activities.

NOAA, working with other relevant agencies such as the EPA or the Army Corps of Engineers, will develop the permitting process, specifically to protect and preserve the marine environment, conserve fisheries and natural resources, and protect public health and safety.

NOAA makes the final determination of whether the activity poses a threat to any of these interests—and if so, a permit will not be given.

Establishes a Trust Fund in the U.S. Treasury and administered by NOAA composed of Federal money generated from these newly permitted activities; funds will be used for ocean conservation, science and research, and agriculture to displaced fishermen.

Prohibits NOAA from issuing any lease for marine aquaculture until strong national standards and regulations are issued to protect the environment from disease, parasites, and invasive species and to prevent water quality impairment.

2. PROTECTING AND CONSERVING MARINE WILDLIFE AND HABITAT

Provides protections for ecologically-important coral areas by creating "Coral Management Areas."

NOAA must carry out a comprehensive ocean exploration and mapping program to determine areas where coral and other creatures live and the marine environments on which they depend.

Based on this data, NOAA may establish Coral Management Areas, which would trigger protection from certain fishing gear and practices (e.g., using long lines, or dragging fishing gear on fishing nets that tear up essential habitat).

Authorizes $3 million per year for research on the effects of noise pollution (i.e., sonar) on marine mammals.

Establishes a voluntary buyback program for environmentally unsafe "gear"—such as boat engines.

Prohibits almost all discharges of ballast water in U.S. waters and requires ships to install technology to capture invasive species in ballast water before discharge—and creates an early detection and rapid response system to provide assistance to states to protect against invasive species.

Authorizes $50 million per year in grants to local communities to restore fishery and coastal habitats.

Authorizes $500 million per year in grants to local communities to purchase lands that are vulnerable to development and are important to the protection and preservation of habitats.

3. STRENGTHENING FISHERIES AND FISH HABITAT

Requires that, when determining the health of a U.S. fishery, NOAA consider all factors that determine areas where coral and other species live and the marine environments on which they depend.

Each regional fishery council must establish a science and statistical committee (SSC) to help develop, collect, and evaluate statistical, biological, economic, social, and other scientific information—the regional council maintains the geographic areas that are consistent with the SSC determinations, but even greater conservation measures can be taken.

Authorizes $15 million over five years for NOAA and the regional fishery councils to develop ecosystem-wide plans to protect and sustain fisheries.

Requires NOAA to establish standards for reducing bycatch and authorizes $55 million over five years to monitor compliance with those standards.

Creates Individual Fishing Quotas (IFQ) that are equitably allocated and that protect against bycatch, overfishing, and economic harm to local communities and conditions that are consistent with the SSC determinations, but even greater conservation measures can be taken.

4. IMPROVING THE QUALITY OF OCEAN WATER

Requires EPA to establish maximum amounts of nutrient runoff pollution that a body of water can hold and still be healthy, taking into account regional conditions and reasonable economic considerations.

Requires water utilities to establish water treatment standards to remove nutrient pollution.

Mandates best management practices for agriculture—requiring farmers, to the greatest extent practicable, to take steps to curtail runoff.

Expedites beach pollution testing and posting by determining which beaches are most at risk of contamination and re-closing or closing those beaches as soon as practicable but not longer than 48 hours after discovery.

Requires public notification and testing of sewer overflow.

Authorizes $11.2 billion per year in funding for state and local governments to reduce stormwater pollution and to increase monitoring and testing.

Requires a survey and continuous monitoring of contaminated sediments that are threats to human health and establish standards to protect sensitive aquatic species from contaminated sediments.

SUPPORT FOR THE NATIONAL OCEANS PROTECTION ACT OF 2005

NATIONAL ORGANIZATIONS

California League of Conservation Voters; Aquatic Adventures Science Education Foundation, San Diego; The Bay Institute, Berkeley; Baykeeper, Santa Barbara; California Lagoon Foundation, Stinson Beach; California Greenworks, Buena Park; Catalina Island Conservancy, Avalon; Community Environ- ment Network, San Diego; Coastal Conservation Association; Crystal Cove Alliance, Corona Del Mar; Endangered Habitats League, Los Angeles; The Environmental Action Committee of West Marin, Point Reyes Station; Environmental Defense Center, Santa Barbara; Friends of the Sea Otter, Pacific Grove; Golden Gate Audubon Society, Berkeley; Grassroots Coalition, Los Angeles; Guadalupe-Nipomo Dunes Center and Guadalupe- Nipomo Dunes Collaborative; Heal the Bay, Santa Monica; Huntington Beach Tree Society, Huntington Beach; The Marine Mammal Center, Sausalito; Monterey Bay Aquarium, Monterey; Monterey Bay Conservation District, San Lucas Island, San Luis Obispo County, San Luis Obispo; Environmental Defense Center, Santa Barbara; Friends of Santa Cruz Zoos, Santa Ana; Friends of the Sea Otter, Pacific Grove; Golden Gate Audubon Society, Berkeley; Grassroots Coalition, Los Angeles; Guadalupe-Nipomo Dunes Collaborative; Heal the Bay, Santa Monica; Huntington Beach Tree Society, Huntington Beach; The Marine Mammal Center, Sausalito; Monterey Bay Aquarium, Monterey; Monterey Moss Landing Marine Lab- oratory; Moss Landing Marine Natu- rats and Friends, Newport Beach; The Ocean Conservancy, Santa Cruz Field Office Ocean Institute, Dana Point; O'Neill Sea Od- ysey, Santa Cruz; The Interfaith Coalition for the Environment, Tustin; PRBO Conservation Science, Stinson Beach; San Diego Audubon Society, San Diego; San Diego Baykeeper, San Francisco Zoo, San Francisco; San Luis Bay Surfrider Founda- tion, San Luis Obispo San Luis Obispo Coastkeeper, San Luis Obispo; Santa Barbara Channelkeeper, Santa Monica Bay Audubon Society, Santa Monica Save Our Shores, Santa Cruz; Sea Studios Foundation, Monterey; Southwest Wetlands Interpretive Association, Imperial Beach; Steinhardt Aquarium at the California Acad- emy of Sciences, San Francisco; Surfrider Foundation, Marina County; Surfrider Foun- dation—Monterey Chapter; Trillium Press, Brisbane; Wildcoast, Imperial Beach; Wishkoyo Foundation, Oxnard; Baykeeper, San Diego; The Audubon Society, Avalon; Environmental Defense Center, Santa Barbara; The Marine Mammal Center, Sausalito.

ELECTED OFFICIALS

Marty Blum, Mayor, City of Santa Bar- bara; Harold Brown, President, Marin Coun- ty Board of Supervisors; Denise Moreno
Ducheny, California State Senator, 40th District; Donna Frye, Councilmember, City of San Diego; Fred Keeley, Treasurer-Tax Collector, County of Santa Cruz; Christine Kohoe, California State Senator, 20th District; John Laird, California State Assembly member, 27th Assembly District; Patricia McCoy, Councilmember, City of Imperial Beach; Kevin McKeown, Councilmember, City of Santa Monica; Aaron Peckin, President, San Francisco Board of Supervisors; Wayne Rayfield, Mayor, City of Dana Point; Murray Rosenbluth, Mayor, City of Port Hueneme; Susan Rose, Mayor, City of Imperial Beach; Susan Rose, Supervisor, Santa Barbara County; Bill Rosendahl, Councilmember-Elect, City of Los Angeles; Lori Saldana, California State Assembly member and Assistant Majority Whip, 78th District; Esther Sanchez, Deputy Mayor, City of Oceanside; Das Williams, Councilmember, City of Santa Barbara; Mayda Winter, Councilmember, City of Imperial Beach.

INDIVIDUALS
Jean-Michel Cousteau, President, Ocean Futures Society; Dr. Sylvia Earle, Explorer-in-Residence, the National Geographic Society; Gary Stix, Director, Institute of Marine Sciences, University of California Santa Cruz; David Helvarg, Author, Blue Frontier—Saving America’s Living Seas; Kurt Lieber, President and Founder, Ocean Defenders Alliance; Mark Silberstein, Executive Director, Elkhorn Slough Foundation; Dr. Susan Williams, Director, Bodega Marine Laboratory.

OTHER ORGANIZATIONS
Gulf of Mexico Foundation; Turtle Island Restoration Network; Potomac Riverkeeper; Coastwalk; Gulf Restoration Network; Florida Oceanographic Society; PatapSCO Riverkeeper, Inc.; The Coastal Marine Resource Center of New York; New York Whale and Dolphin Action League; San Francisco Ocean Film Festival.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 165—CONGRATULATING THE SMALL BUSINESS DEVELOPMENT CENTERS OF THE SMALL BUSINESS ADMINISTRATION ON THEIR 25 YEARS OF SERVICE TO AMERICA’S SMALL BUSINESS OWNERS AND ENTREPRENEURS

Ms. SNOWE (for herself, Mr. COLLINS, Mr. ISAACKSON, Mr. VITTER, Ms. LANDRIEU, Mr. KERRY, Mr. BURNS, Mr. PYOR, Mr. BAYH, and Mr. LIEBERMAN) submitted the following resolution; which was referred to the Committee on Small Business and Entrepreneurship;

S. RES. 165

Whereas in 1980, Congress established the Small Business Development Center program to deliver management and technical assistance to America’s small businesses; and

Whereas over the last 25 years, the Small Business Development Center network counseled and trained more than 11,000,000 small business owners and entrepreneurs, helping small businesses start and grow and create jobs in the United States; and

Whereas the Small Business Development Centers exemplify the partnership between private sector institutions of higher education and Government, working together to support small businesses and entrepreneurs; and

Whereas the Small Business Development Centers have been a critical partner in the start-up and growth of the Nation’s small businesses; and

Whereas in 2004, the Small Business Development Centers counseled and trained approximately 750,000 new and existing small businesses; and

Whereas both the Small Business Development Centers deliver specialized assistance through a network of 63 lead centers and more than 1,000 service locations, in all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa; and

Whereas the Small Business Development Centers provide assistance tailored to the tremendous service and dedication to including consulting and training on financial management, marketing, production and organization, international trade assistance, procurement assistance, venture capital formation, and rural development, among other services that improve the economic environment in which small businesses compete; and

Whereas in 2003, the Small Business Development Center’s in-depth counseling helped small businesses generate nearly $6,000,000,000 in revenues and save an additional $7,000,000,000 in sales; and

Whereas in 2003, the Small Business Development Centers helped create and retain over 163,000 jobs across the United States; and

Whereas the Small Business Development Centers proudly celebrate 25 years of service to America’s small business owners and entrepreneurs; and

(1) congratulates the Small Business Development Centers of the Small Business Administration on their 25 years of service to America’s small business owners and entrepreneurs; and

(2) recognizes their service in helping America’s small businesses start, grow, and flourish; and

(3) directs the Secretary of the Senate to transmit an enrolled copy of this resolution to the Association of Small Business Development Centers for appropriate display.

Ms. SNOWE. Mr. President, I rise today in support of a Senate resolution that honors the Small Business Administration’s (SBA’s) Small Business Development Centers (SBDCs) on their 25 years of service to America’s small businesses and entrepreneurs over the past 25 years.

Small businesses form a solid foundation for economic growth and job creation. The successes of our Nation’s 25 million small businesses have helped create nearly three-quarters of all new jobs and produce 50 percent of the Nation’s Gross Domestic Product.

As Chair of the Senate Committee on Small Business and Entrepreneurship, I understand that the spirit of entrepreneurs, to explore beyond their limits, is the engine driving our economy. Each year 3 to 4 million new businesses open their doors to the marketplace and one in 25 adult Americans takes the steps to start a business. Clearly, it is essential we ensure that every American has the necessary resources available to start, grow and develop a business.

Among the most valuable assets for any entrepreneur is the SBA’s Small Business Development Center program. Over the past 25 years, the SBDCs have provided unique one-on-one counseling to over 11 million Americans helping new business start-ups, sustain struggling firms, and expand growth for existing firms.

Through a network of 63 lead centers and more than 1,100 service locations, the SBDCs deliver their services in all 50 States, as well as the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa. From financial management, to marketing to procurement assistance, the SBDCs tailor their counseling and training to the needs of the client in each local community.

In addition, the SBDCs have an extraordinary record of excellence. Having counseled and trained more than 50,000 business owners and entrepreneurs in 1980, today they counsel and train almost three-quarters of a million start-ups and existing small businesses annually. Moreover, in 2003, the SBDCs helped create and retain over 183,000 jobs across America.

In 2004 alone, the SBDCs in my home State of Maine assisted entrepreneurs in obtaining over $16 million in loans, helped create and retain over 700 jobs, conducted more than 750 training events. Just as there’s no question that small businesses are the lifeblood of our economy, SBDCs are truly the lifeline for entrepreneurs.

As we celebrate the SBDCs 25th Anniversary, we must reaffirm our commitment to foster an environment that is favorable to economic growth and development for new and growing firms. On that note, the 36 percent cut in the SBA’s budget over the last five years has been a step in the wrong direction, and it is a misjudgement I hope Congress will reverse. I will continue to fight to ensure that the SBA and its resource partners like the SBDCs obtain the valuable resources they deserve.

The challenges of starting a new business are surpassed only by the determination and ingenuity of America’s entrepreneurs. By strengthening the SBA’s core programs such as the SBDC program, we can encourage job growth and provide American small businesses an even greater opportunity to thrive and prosper.

Today I urge my colleagues to show their support for the Small Business Development Center program during their silver anniversary and support this Resolution. Small Business Development Centers are a critical component to strengthening our Nation’s economy and creating American jobs, and they clearly deserve our accolades and recognition.