

used by insurers seeking to qualify as an eligible insurer. The types of harmonized standards that shall be included in sample contract language are the standards that are relevant to the contractual bargain between the insurer and insured.

“(h) STATE ADOPTION AND ENFORCEMENT.—Not later than 2 years after the issuance by the Secretary of final regulations adopting harmonized standards under this section, the States may adopt such harmonized standards (and become an adopting State) and, in which case, shall enforce the harmonized standards pursuant to State law.

“SEC. 2933. APPLICATION AND PREEMPTION.

“(a) SUPERCEDING OF STATE LAW.—

“(1) IN GENERAL.—The harmonized standards adopted under this subtitle shall supersede any and all State laws (whether enacted prior to or after the date of enactment of this title) insofar as such State laws relate to the areas of harmonized standards as applied to an eligible insurer, or health insurance coverage issued by a eligible insurer, in a nonadopting State.

“(2) NONADOPTING STATES.—This subtitle shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as they may—

“(A) prohibit an eligible insurer from offering coverage consistent with the harmonized standards in the nonadopting State; or

“(B) discriminate against or among eligible insurers offering or seeking to offer health insurance coverage consistent with the harmonized standards in the nonadopting State.

“(b) SAVINGS CLAUSE AND CONSTRUCTION.—

“(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

“(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

“(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not apply to any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the terms of the health insurance coverage issued in a nonadopting State. In no case shall this paragraph, or any other provision of this subtitle, be construed to permit a cause of action on behalf of an individual or any other person under State law in connection with a group health plan that is subject to the Employee Retirement Income Security Act of 1974 or health insurance coverage issued in connection with such plan.

“(4) NONAPPLICATION TO ENFORCE REQUIREMENTS RELATING TO THE COMPENDIUM.—Subsection (a)(1) shall not apply to any State law in a nonadopting State to the extent necessary to provide the insurance department of the State (or other state agency) authority to enforce State law requirements relating to the harmonized standards that are not set forth in the terms of the health insurance coverage issued in a nonadopting State, in a manner that is consistent with the harmonized standards and imposes no greater duties or obligations on health insurance issuers than the harmonized standards.

“(5) NONAPPLICATION TO SUBSECTION (A)(2).—Paragraphs (3) and (4) shall not apply with respect to subsection (a)(2).

“(6) NO AFFECT ON PREEMPTION.—In no case shall this subsection be construed to affect the scope of the preemption provided for under the Employee Retirement Income Security Act of 1974.

“(c) EFFECTIVE DATE.—This section shall apply beginning on the date that is 2 years after the date on which final regulations are issued by the Secretary under this subtitle adopting the harmonized standards.

“SEC. 2934. CIVIL ACTIONS AND JURISDICTION.

“(a) IN GENERAL.—The district courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this subtitle.

“(b) ACTIONS.—A health insurance issuer may bring an action in the district courts of the United States for injunctive or other equitable relief against a nonadopting State in connection with the application of a State law that violates this subtitle.

“(c) VIOLATIONS OF SECTION 2933.—In the case of a nonadopting State that is in violation of section 2933(a)(2), a health insurance issuer may bring an action in the district courts of the United States for damages against the nonadopting State and, if the health insurance issuer prevails in such action, the district court shall award the health insurance issuer its reasonable attorneys fees and costs.

“SEC. 2935. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.”

Mr. NELSON of Nebraska. Mr. President, I am pleased to join with my good friend, Chairman MIKE ENZI, in introducing the Health Insurance Marketplace Modernization and Affordability Act. This legislation will help bring much-needed relief to small businesses who are struggling to afford health insurance coverage for their employees.

The affordability of health insurance coverage is a major problem facing America's businesses and consumers. According to the Kaiser Family Foundation, health insurance premiums for businesses rose 9.2 percent last year. While health care cost increases have subsided somewhat, premium increases for last year alone were more than 3 times the growth in workers' wages and two-and-a-half times the rate of inflation.

This legislation helps address the problem of rising health care costs. By providing small businesses with more ability to pool and by harmonizing and streamlining insurance regulations, this bill will help reduce the cost of coverage for small businesses. By lowering costs, this bill holds promise in reducing the number of working Americans who lack health insurance coverage. Our legislation will help reduce costs in a balanced and carefully targeted manner while avoiding some of the problems that other proposals have raised.

In contrast to other proposals, such as Association Health Plans (AHP), our bill retains State-based regulation and oversight. State-based oversight and enforcement is critical to protecting consumers. Unlike other AHP bills, associations cannot self insure and be outside of State oversight. As a former insurance director, this issue is critical for my support.

Moreover, the bill maintains a level playing field in the health insurance marketplace by avoiding harmful provisions that would have led to rampant

“cherry-picking” and adverse selection problems. The bill does not allow association health plans to abide by less comprehensive rules and under minimal oversight by the U.S. Department of Labor—which would allow these plans to attract only young and healthy groups while increasing costs for the vast majority of small businesses and their workers.

I applaud the effort of Senator ENZI and his talented staff and am pleased to introduce the bill. However, I also recognize that is not a perfect solution; nor is it a panacea for all the problems facing our health care system.

I look forward to working with Senator ENZI to assure that the bill preserves comprehensive and high-quality benefits while, at the same time, allowing small businesses to have access to affordable coverage.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 294—EX-PRESSING THE SENSE OF THE SENATE ON THE RETENTION OF THE FEDERAL TAX DEDUCTION FOR STATE AND LOCAL TAXES PAID

Mr. SCHUMER (for himself, Mr. LAUTENBERG, Mr. DURBIN, Mrs. CLINTON, Mr. CORZINE, Mr. SALAZAR, Mr. KENNEDY, Mr. LIEBERMAN, Mrs. FEINSTEIN, Mr. DODD, Mr. KERRY, Mr. OBAMA, Mrs. BOXER, Mr. FEINGOLD, Mr. KOHL, and Ms. STABENOW) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 294

Whereas no American should be unnecessarily or excessively burdened with additional taxes;

Whereas the Federal income tax has grown more complicated and unmanageable over time, imposing burdensome administrative and compliance costs on American taxpayers;

Whereas on January 7, 2005, President George W. Bush created the President's Advisory Panel on Federal Tax Reform (the “Panel”) via Executive Order 13369;

Whereas the Panel was tasked with providing several options for Federal tax reform that would simplify Federal tax laws, retain progressivity, and promote long-run economic growth and job creation;

Whereas in its final report, released publicly on November 1, 2005, the Panel recommended the complete repeal of the Federal deduction for State and local taxes, as a central component of both the “Simplified Income Tax Plan” and the “Growth and Investment Tax Plan”;

Whereas State and local taxes have been deductible from the Federal income tax since the inception of the Federal income tax in 1913;

Whereas eliminating the deduction for State and local taxes would create a new form of double taxation at a time where efforts are being made to reduce other forms of double taxation, since repeal would require millions of taxpayers to pay Federal taxes on income that is also taxed at the State or local level;

Whereas Congress has recently taken steps to expand, rather than cut back, the State

and local tax deduction, by reinstating a deduction for State sales taxes for some taxpayers (previously repealed as part of the Tax Reform Act of 1986), as part of the American Jobs Creation Act of 2004;

Whereas there is some concern, as noted by the nonpartisan Urban-Brookings Tax Policy Center, that eliminating the deduction could “lower support for public services and lead to a ‘race to the bottom’ in terms of State and local expenditures as States compete to have the lowest taxes in order to attract higher-income households”;

Whereas the deduction for State and local taxes is not just a concern for a small minority of taxpayers in the largest States, as 22 States saw more than one-third of their taxpayers take the deduction in 2003, the latest year for which data is available (Maryland, New Jersey, Connecticut, Colorado, Oregon, Minnesota, Massachusetts, Virginia, Utah, California, Georgia, New York, Wisconsin, Arizona, Rhode Island, Michigan, Delaware, North Carolina, Illinois, New Hampshire, Nevada, and Idaho (ranked in order of the percentage of taxpayers affected));

Whereas in tax year 2003, 43,538,000 taxpayers in the United States took advantage of the Federal deduction for State and local taxes, deducting a total of \$315,690,000,000, thereby saving taxpayers in the United States approximately \$88,390,000,000 in Federal income taxes, assuming an average marginal rate of 28 percent for taxpayers who itemize; and

Whereas in tax year 2003, the top 25 States ranked by the number of taxpayers affected represented 77 percent of the taxpayers affected nationally, and took 85 percent of the total deductions for State and local taxes, as detailed below:

(1) In California, 5,807,000 taxpayers deducted a total of \$54,920,000,000, thereby saving California taxpayers approximately \$15,380,000,000 in Federal income taxes.

(2) In New York, 3,228,000 taxpayers deducted a total of \$37,600,000,000, thereby saving New York taxpayers approximately \$10,530,000,000 in Federal income taxes.

(3) In Illinois, 1,994,000 taxpayers deducted a total of \$13,720,000,000, thereby saving Illinois taxpayers approximately \$3,840,000,000 in Federal income taxes.

(4) In Ohio, 1,809,000 taxpayers deducted a total of \$12,720,000,000, thereby saving Ohio taxpayers approximately \$3,560,000,000 in Federal income taxes.

(5) In New Jersey, 1,791,000 taxpayers deducted a total of \$18,750,000,000, thereby saving New Jersey taxpayers approximately \$5,250,000,000 in Federal income taxes.

(6) In Pennsylvania, 1,765,000 taxpayers deducted a total of \$12,400,000,000, thereby saving Pennsylvania taxpayers approximately \$3,470,000,000 billion in Federal income taxes.

(7) In Michigan, 1,627,000 taxpayers deducted a total of \$10,350,000,000, thereby saving Michigan taxpayers approximately \$2,900,000,000 in Federal income taxes.

(8) In Georgia, 1,416,000 taxpayers deducted a total of \$8,720,000,000, thereby saving Georgia taxpayers approximately \$2,440,000,000 in Federal income taxes.

(9) In Virginia, 1,355,000 taxpayers deducted a total of \$9,630,000,000, thereby saving Virginia taxpayers approximately \$2,700,000,000 in Federal income taxes.

(10) In North Carolina, 1,304,000 taxpayers deducted a total of \$8,720,000,000, thereby saving North Carolina taxpayers approximately \$2,440,000,000 in Federal income taxes.

(11) In Maryland, 1,260,000 taxpayers deducted a total of \$10,410,000,000, thereby saving Maryland taxpayers approximately \$2,920,000,000 in Federal income taxes.

(12) In Massachusetts, 1,216,000 taxpayers deducted a total of \$10,840,000,000, thereby saving Massachusetts taxpayers approximately \$3,040,000,000 in Federal income taxes.

(13) In Minnesota, 969,000 taxpayers deducted a total of \$7,060,000,000, thereby saving Minnesota taxpayers approximately \$1,980,000,000 in Federal income taxes.

(14) In Wisconsin, 961,000 taxpayers deducted a total of \$8,000,000,000, thereby saving Wisconsin taxpayers approximately \$2,240,000,000 in Federal income taxes.

(15) In Colorado, 856,000 taxpayers deducted a total of \$4,570,000,000, thereby saving Colorado taxpayers approximately \$1,280,000,000 in Federal income taxes.

(16) In Arizona, 841,000 taxpayers deducted a total of \$4,110,000,000, thereby saving Arizona taxpayers approximately \$1,150,000,000 in Federal income taxes.

(17) In Indiana, 832,000 taxpayers deducted a total of \$4,530,000,000, thereby saving Indiana taxpayers approximately \$1,270,000,000 in Federal income taxes.

(18) In Missouri, 772,000 taxpayers deducted a total of \$4,890,000,000, thereby saving Missouri taxpayers approximately \$1,370,000,000 in Federal income taxes.

(19) In Connecticut, 713,000 taxpayers deducted a total of \$7,970,000,000, thereby saving Connecticut taxpayers approximately \$2,230,000,000 in Federal income taxes.

(20) In Oregon, 641,000 taxpayers deducted a total of \$5,100,000,000, thereby saving Oregon taxpayers approximately \$1,430,000,000 in Federal income taxes.

(21) In South Carolina, 574,000 taxpayers deducted a total of \$3,390,000,000, thereby saving South Carolina taxpayers approximately \$949,000,000 in Federal income taxes.

(22) In Alabama, 538,000 taxpayers deducted a total of \$2,090,000,000, thereby saving Alabama taxpayers approximately \$586,000,000 in Federal income taxes.

(23) In Kentucky, 515,000 taxpayers deducted a total of \$3,300,000,000, thereby saving Kentucky taxpayers approximately \$925,000,000 in Federal income taxes.

(24) In Oklahoma, 434,000 taxpayers deducted a total of \$2,320,000,000, thereby saving Oklahoma taxpayers approximately \$650,000,000 in Federal income taxes.

(25) In Iowa, 397,000 taxpayers deducted a total of \$2,510,000,000, thereby saving Iowa taxpayers approximately \$702,000,000 in Federal income taxes.

Now, therefore, be it

Resolved, That it is the sense of the Senate that Congress should not repeal or substantially alter the longstanding Federal tax deduction for State and local taxes.

SENATE RESOLUTION 295—EX-PRESSING THE SENSE OF THE SENATE ON THE ARREST OF SANJAR UMAROV IN UZBEK ISTAN

Mr. LUGAR (for himself and Mr. FRIST, and Mr. MCCAIN) submitted the following resolution; which was considered and agreed to:

S. RES. 295

Whereas the United States supports the development of democracy, free markets, and civil society in Uzbekistan and in other states in Central Asia;

Whereas the rule of law, the impartial application of the law, and equal justice for all courts of law are pillars of all democratic societies;

Whereas Sanjar Umarov was reportedly arrested in Tashkent, Uzbekistan, on October 22, 2005;

Whereas Sanjar Umarov is a businessman and leader of the Uzbek opposition party, Sunshine Coalition;

Whereas Sanjar Umarov was reportedly taken into custody on October 22, 2005, during a crackdown on the Sunshine Coalition

that included a raid of its offices and seizure of its records;

Whereas Sanjar Umarov was reportedly charged with grand larceny;

Whereas press accounts report that representatives of Sanjar Umarov claim that Mr. Umarov was drugged and abused while at his pretrial confinement center in Tashkent, Uzbekistan, but such accounts could not be immediately confirmed, and official information about the health, whereabouts, and treatment while in custody of Mr. Umarov has thus far been unavailable;

Whereas the United States has expressed its serious concern regarding the overall state of human rights in Uzbekistan and is seeking to clarify the facts of this case;

Whereas the European Union (EU) and the Organization for Security and Cooperation in Europe (OSCE) have expressed concern about the arrest and possible abuse of Sanjar Umarov; and

Whereas the Government of Uzbekistan is party to various treaty obligations, and in particular those under the International Covenant on Civil and Political Rights, which obligate governments to provide for due process in criminal cases: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the law enforcement and judicial authorities of Uzbekistan should ensure that Sanjar Umarov is accorded the full measure of his rights under the Uzbekistan Constitution to defend himself against any and all charges that may be brought against him, in a fair and transparent process, so that individual justice may be done;

(2) the Government of Uzbekistan should observe its various treaty obligations, especially those under the International Covenant on Civil and Political Rights, which obligate governments to provide for due process in criminal cases; and

(3) the Government of Uzbekistan should publicly clarify the charges against Sanjar Umarov, his current condition, and his whereabouts.

SENATE RESOLUTION 296—HONORING THE LIFE OF AND EXPRESSING THE CONDOLENCES OF THE SENATE ON THE PASSING OF DR. RICHARD ERRETT SMALLEY

Mrs. HUTCHISON (for herself and Mr. CORNYN) submitted the following resolution; which was considered and agreed to:

S. RES. 296

Whereas Dr. Richard Errett Smalley opened the field of nanotechnology with his 1985 discovery of a new form of carbon molecules called “buckyballs”, and for this, in 1996, the Royal Swedish Academy of Sciences awarded him the Nobel Prize in Chemistry along with Dr. Robert Curl and Sir Harold Kroto;

Whereas the research and advocacy done by Dr. Smalley in support of the National Nanotechnology Initiative led to the development of a revolutionary area of science that will improve materials and devices in fields ranging from medicine to energy to National defense;

Whereas the accomplishments of Dr. Smalley in the field of nanotechnology have contributed greatly to the academic and research communities of Rice University, the State of Texas, and the United States of America;

Whereas Dr. Smalley has been described as a “Moses” in the field of nanotechnology;